

EXHIBIT C

UNITED STATES TRUSTEE'S OFFICE
SOUTHERN DISTRICT OF NY 2004 EXAMINATION

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IN THE MATTER OF:

RE: DEBTOR:
PEDRO LIMA

Case No.:
10-11809

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August 27, 2010

HELD AT: Office of the U.S. Trustee
New York, NY

BEFORE: NAZAR KHODOROVSKY, ESQ.
Trial Attorney

APPEARANCES: DAVID HAMILTON, ESQ.
Attorney for the Debtor
LAW FIRM OF DWYER & ASSOCIATES
11 Broadway, Suite 615
New York, New York 10004

TRANSCRIBER: JOYCE A. WASER

I N D E X

<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>V.</u>	<u>J</u>
P. Lima	4					

E X H I B I T S

<u>PETITIONER</u>	<u>DESCRIPTION</u>	<u>For</u>	<u>In</u>
		<u>I.D.</u>	<u>Ev.</u>

<u>RESPONDENT</u>	<u>DESCRIPTION</u>	<u>I.D.</u>	<u>IN EV.</u>

1
2 MR. NAZAR KHODOROVSKY: We are on the
3 record at 11:05 a.m. on Friday, August 27th,
4 2010. This is the examination pursuant to
5 rule 2004 of the Federal Rules of Bankruptcy
6 Procedure, of the debtor, Pedro Lima, in the
7 case number 10-11809. The case has been
8 assigned to Judge Robert E. Gerber. Mr.
9 Lima, good morning, how are you?

10 MR. PEDRO LIMA: Good morning, well,
11 thank you.

12 MR. KHODOROVSKY: My name is Nazar
13 Khodorovsky, and let me spell that for the
14 record, N-A-Z-A-R K-H-O-D-O-R-O-V-S-K-Y. I
15 am a trial attorney with the Office of the
16 United States Trustee. With me, is my
17 colleague, Savitri Nguyen, who is a paralegal
18 with this office. Savitri, could you just
19 spell your first name and last name, for the
20 record?

21 MS. SAVITRI NGUYEN: S-A-V-I-T-R-I N-G-
22 U-Y-E-N.

23 MR. KHODOROVSKY: Thank you so much.
24 Mr. Lima, at this time I will administer the
25 oaths to you. Mr. Lima, please raise your

1
2 right hand. Mr. Lima, do you swear or affirm
3 that the testimony you are about to give, at
4 this examination, pursuant to Rule 2004 of
5 the Federal Rules of Bankruptcy Procedure,
6 will be the whole truth and nothing but the
7 truth?

8 MR. LIMA: Yes.

9 MR. KHODOROVSKY: You may lower your
10 right hand. Mr. Lima, are you represented by
11 an attorney this morning?

12 MR. LIMA: Yes.

13 MR. KHODOROVSKY: Counsel, please
14 identify yourself and note your appearance.

15 MR. DAVID HAMILTON: My name is David
16 Hamilton, from the Law Firm of Dwyer and
17 Associates, admitted to practice in the
18 Southern District.

19 MR. KHODOROVSKY: Mr. Hamilton, just for
20 the record, would you just spell your first
21 name and last name?

22 MR. HAMILTON: D-A-V-I-D H-A-M-I-L-T-O-
23 N.

24 MR. KHODOROVSKY: Thank you so much, Mr.
25 Hamilton. Now, Mr. Hamilton, as we

1
2 discussed, before we went on the record,
3 before we begin, would you agree on the
4 record to the following stipulations? One,
5 would you agree that the Office of the United
6 States Trustee provided timely and proper
7 notice of this examination to you and to Mr.
8 Lima?

9 MR. HAMILTON: I do.

10 MR. KHODOROVSKY: Thank you. And two,
11 would you also agree to the stipulation that
12 all objections, except as to the form of the
13 question, shall be reserved until the time of
14 trial, if there is one?

15 MR. HAMILTON: Yes.

16 MR. KHODOROVSKY: Thank you so much.
17 Now, Mr. Lima, I'll just go over some of the
18 instructions that I discussed with you before
19 we went on the record. First, when answering
20 questions, please speak up as loud and as
21 clear as you can, and say yes or no, so the
22 machine can record your answers when I am
23 asking you a yes or no question. Also,
24 please wait for me to finish the question
25 before you answer. If you do not understand

1
2 a question, please let me know, and I will
3 try to repeat or rephrase it. Do you
4 understand these instructions?

5 MR. LIMA: Yes.

6 MR. KHODOROVSKY: Thank you. Okay. So,
7 let me first ask you, Mr. Lima, in your own
8 words, could you tell me why did you decide
9 to file for bankruptcy?

10 MR. LIMA: I decided to file for
11 bankruptcy because I had an enormous amount
12 of debt, and I had essentially no business,
13 due to a number of factors, and it did not
14 make sense for me to continue to try and run
15 those businesses, which was the only way of
16 paying back those debts. Because I also
17 have--I am also an educator; I teach. So, I
18 had enough to sustain me as a person, but the
19 businesses just, it no longer was something
20 that I could handle any more.

21 MR. KHODOROVSKY: All right. So, let me
22 ask you this. You mentioned you are an
23 educator. So, are you currently employed?

24 MR. LIMA: Yes.

25 MR. KHODOROVSKY: Where do you work?

MR. LIMA: I work for the Art Institute of New York City. I am a full time, tenured professor of interior design. I also work for Westwood College, which is an online school in Denver, Colorado. So, I teach online, various courses. I am an adjunct faculty. And I also teach online for the Art Institute of Pittsburg, online, which is also another online school, adjunct faculty, as well, in interior design.

MR. KHODOROVSKY: And the subjects you teach are interior design?

MR. LIMA: Yes.

MR. KHODOROVSKY: Let me ask you this, at the Art Institute of New York, let's just focus on that, when did you become tenured?

MR. LIMA: September of 2006.

MR. KHODOROVSKY: Okay, let's--let's switch gears a little bit and I want to ask you this. With regards to your employment right now, as we sit here today, from all these educational positions, Westwood College, the Art Institute of Pittsburgh, Art Institute of New York, how much do you earn?

MR. LIMA: I can essentially go off of what I earned last year, which was \$85,000.00, or \$87,500.00.

MR. KHODOROVSKY: Eighty-seven, five hundred?

MR. LIMA: Eighty-seven thousand, five hundred dollars. And I--I would project this year to earn more, in the range of \$100,000.00, based on enrollment and things like that.

MR. KHODOROVSKY: So,--so, what your employers pay you is a function of the--how many people sign up for your classes?

MR. LIMA: It's a function of how many classes they assign me, which is relative to the--the enrollment. Essentially, the Art Institute of New York City, where I teach on ground, is--it's a position that, unless the school goes away, is very secure. Whereas the two online universities, it is very possible that I may not have courses at various times, in the--in the year. So, it's not a job that I can assume I am going to have that income.

MR. KHODOROVSKY: Let's just break it down a little bit. Let's--you said you earned about \$87,500.00 in 2009. So, in 2009, you were still employed, at those three same schools: Art Institute of Pittsburgh, Westwood College, and Art Institute of New York?

MR. LIMA: No. I began working for the Art Institute online in; I think it was in February of 2010.

MR. KHODOROVSKY: Okay.

MR. LIMA: Let me restate that. I began receiving paychecks in February of 2010, but my employment actually began in January of 2010.

MR. KHODOROVSKY: But, in--so, I could be correct in saying that in 2009, you were working for the Art Institute of New York and Westwood College?

MR. LIMA: Yes.

MR. KHODOROVSKY: At the same positions as you have mentioned before?

MR. LIMA: Yes.

MR. KHODOROVSKY: And you earned, like

1
2 you said, a total of about \$87,500.00;
3 eighty-seven thousand, five hundred?

4 MR. LIMA: Yes.

5 MR. KHODOROVSKY: In 2008, were you
6 employed?

7 MR. LIMA: Yes.

8 MR. KHODOROVSKY: And so you were also
9 employed in 2008, at the Art Institute of New
10 York?

11 MR. LIMA: Yes.

12 MR. KHODOROVSKY: And where else were
13 you employed in 2008?

14 MR. LIMA: Westwood College online.

15 MR. KHODOROVSKY: At the same positions?

16 MR. LIMA: Yes.

17 MR. KHODOROVSKY: And how much did you
18 earn in--in 2008?

19 MR. LIMA: I believe I earned, in the--
20 in the range of \$90,000.00 to \$100,000.00. I
21 am almost positive it was \$95,000.00.
22 Because--can I state why that is?

23 MR. KHODOROVSKY: Go ahead. Definitely.
24 Definitely.

25 MR. LIMA: Because--

1
2 MR. KHODOROVSKY: (Interposing) Take
3 your time.

4 MR. LIMA: -I had more classes in 2008.
5 As the economy began to go down, obviously,
6 interior design is a heavily influenced
7 industry, based on economy, and enrollment
8 went down, so in 2009, I had no way of
9 knowing that I would make less, as an
10 educator. But I did. And this year, as
11 well. That's why I said I--I'm not sure
12 exactly how much I'm going to make, but I
13 realize the question was what I did make.
14 So, I'm just saying.

15 MR. KHODOROVSKY: Okay. And finally,
16 let's just look back a little bit. In 2007,
17 where did you work in 2007?

18 MR. LIMA: The same places.

19 MR. KHODOROVSKY: Art Institute of New
20 York and Westwood?

21 MR. LIMA: Yes.

22 MR. KHODOROVSKY: At the same positions?

23 MR. LIMA: Yes.

24 MR. KHODOROVSKY: And how much did you
25 earn in 2007?

1
2 MR. LIMA: 2007, I earned roughly
3 \$110,000.00.

4 MR. KHODOROVSKY: That's fine. Now, I
5 think I'm going to go forward a little bit.
6 So, in 2007, in addition to working for these
7 employers, did you get any additional income,
8 beyond that?

9 MR. LIMA: In 2007, I did, yes.

10 MR. KHODOROVSKY: And--and how much?
11 Well, actually let's start it this way. How
12 did you get this additional income?

13 MR. LIMA: Through my own personal
14 businesses.

15 MR. KHODOROVSKY: And what businesses
16 were those?

17 MR. LIMA: In 2007, I had an interior
18 design business.

19 MR. KHODOROVSKY: Did it have a name?

20 MR. LIMA: Yes, it was Pedro Lima
21 Design, LLC.

22 MR. KHODOROVSKY: Mm hmm.

23 MR. LIMA: And I believe I earned no
24 more than \$15,000.00; \$15,000.00 to
25 \$20,000.00 I'm going to say, conservatively--

1
2 well, actually that's a little--it was--it
3 was not more than \$15,000.00, from my own
4 personal business.

5 MR. KHODOROVSKY: From Pedro Lima
6 Design?

7 MR. LIMA: Correct, yes.

8 MR. KHODOROVSKY: Did you have any other
9 businesses in 2007, other than Pedro Lima
10 Design?

11 MR. LIMA: No.

12 MR. KHODOROVSKY: Let's go forward a
13 little bit. So, in 2008, did you have any
14 income, in addition to work? To working for
15 Art Institute and Westwood?

16 MR. LIMA: Yes.

17 MR. KHODOROVSKY: And how much
18 additional income did you have, beyond work?

19 MR. LIMA: I--I have--honestly, I have a
20 very hard time recalling these figures,
21 because of the complexity of all of these--of
22 the case. The years is difficult for me to
23 distinguish. I realize this is all in the
24 paperwork, so--

25 MR. KHODOROVSKY: (Interposing) I

1
2 understand--

3 MR. LIMA: -I keep referring to my--

4 MR. KHODOROVSKY: (Interposing) No, I
5 understand what you're saying. Let's--let's--
6 -let's go on a little bit. But let me sort
7 of make--ask a more general question. And I
8 understand what you are saying. But you did
9 have additional income, other than
10 employment, right?

11 MR. LIMA: Does--can I ask a question?
12 When you say that? With my own--are you
13 referring to employment of myself or
14 employment from other people? Because I had--
15 -if you say employment, I don't know if you
16 are referring to my businesses, as well.

17 MR. KHODOROVSKY: Well let me make it--
18 let me make this a very simple question then.
19 Let me get a lot simpler. Beyond your work,
20 in 2008, for Art Institute of New York and
21 the Westwood College, did you have any other
22 income beyond that employment?

23 MR. LIMA: I would have to look at my
24 tax statements, because there were various
25 years where I did not receive income from my

1
2 personal businesses. In fact, there were
3 years that I had to support my businesses
4 because I made a nice living teaching. The
5 teaching positions allowed me to practice
6 interior design, which is extremely important
7 and was worth it to me, because being an
8 educator, it is essential to also be a
9 practitioner. So, that's why I'm a little--I
10 just am having a hard time distinguishing
11 what--remembering what was a personal income
12 versus those other incomes.

13 MR. KHODOROVSKY: Okay. So, let me ask
14 you this, in 2008, though, let me make it
15 even simpler. Pedro Lima Design, was it in
16 operation in 2008?

17 MR. LIMA: Yes.

18 MR. KHODOROVSKY: And did the company do
19 any work in 2008?

20 MR. LIMA: Yes.

21 MR. KHODOROVSKY: Did it get paid for
22 that work?

23 MR. LIMA: Yes.

24 MR. KHODOROVSKY: Okay. So, let's move
25 forward into 2009. Let me ask you this,

other than working for Art Institute of New York and the Westwood College, did you have any other income?

MR. LIMA: Yes.

MR. KHODOROVSKY: And from where?

MR. LIMA: From two of my personal businesses.

MR. KHODOROVSKY: Which businesses are those?

MR. LIMA: Pedro Lima Design, LLC.

MR. KHODOROVSKY: Mm hmm.

MR. LIMA: And another business, which I started early 2009, called New York Urban Stone, Inc.

MR. KHODOROVSKY: And can you just tell me briefly what is the difference between those two companies?

MR. LIMA: Pedro Lima Design is an interior design firm. So, essentially an interior design firm makes money on fees, as well as commissions on sales for product, which is often billed through the company.

MR. KHODOROVSKY: And so what did Urban Stone do?

1
2 MR. LIMA: New York Urban Stone was a
3 retail company, and the main product was
4 stone--various types of stone.

5 MR. KHODOROVSKY: Like masonry or
6 decorative stones?

7 MR. LIMA: Decorative stone.

8 MR. KHODOROVSKY: Like something people
9 would put in their apartments or houses,
10 rather than something they would use for a
11 fence?

12 MR. LIMA: Yes, it was--essentially--
13 counter tops, slabs and tiles, mosaics,
14 liners, trims, all sorts of materials for
15 interiors.

16 MR. KHODOROVSKY: And you would buy the
17 product and you would sell it to clients?

18 MR. LIMA: Yes.

19 MR. KHODOROVSKY: Okay. So, from those
20 two businesses, if you can recall, how much
21 income did you have in 2009?

22 MR. LIMA: I don't think I made any
23 money in 2009, on those businesses.

24 Actually, I think I lost money on those
25 businesses, which I know sounds strange,

maybe, but--.

MR. KHODOROVSKY: Okay. So, let's--
let's--let me ask you right now, are you
making any additional income outside of
teaching?

MR. LIMA: I do melaleuka. I make about
\$10.00 a month.

MR. KHODOROVSKY: I'm sorry; you do
what?

MR. LIMA: Melaleuka, is like--

MR. KHODOROVSKY: Can you spell that for
me? I apologize, - - .

MR. LIMA: Certainly. M-E-L-A-L-E-U-K-
A, which is a multi-level marketing company.
I make five dollars a month. But--so, I--
that's the only other additional income and I
just want to be thorough, in terms of
answering your questions.

MR. KHODOROVSKY: Okay. And you are
part of their sales network now?

MR. LIMA: Yeah, right. Yes.

MR. KHODOROVSKY: I'm sorry; let me ask
you--I apologize; what is this product? I've
never heard of it; I apologize.

1
2 MR. LIMA: Melaleuka would be on par to
3 Amway or Shackle or Herbalife.

4 MR. KHODOROVSKY: No, but what products
5 do you sell? What I'm trying to understand
6 is not what the company is, but what is the
7 product?

8 MR. LIMA: The products--actually I
9 don't sell them. Essentially when--when I
10 enroll--I have to enroll somebody to buy from
11 that company.

12 MR. KHODOROVSKY: Oh. Oh, it's something
13 like that?

14 MR. LIMA: It's like a little commission
15 that they always--they give.

16 MR. KHODOROVSKY: So, you get
17 commissions from enrolling other agents?

18 MR. LIMA: Yeah, rather than, you know
19 selling them--and the products would be
20 things like; they have four collections, like
21 cleaners--like home cleaning products,
22 personal hygiene, and they have some food
23 products--specialty foods, as well as a
24 vitamin line.

25 MR. KHODOROVSKY: Okay. Let me ask you

1
2 this. No, let's actually talk a little bit
3 about Pedro Lima Design and New York Urban
4 Stone, Inc. Are those companies currently
5 active?

6 MR. LIMA: No.

7 MR. KHODOROVSKY: When did they stop
8 being active? Well, sorry; let me rephrase.
9 When did Pedro Lima Design stop being active?

10 MR. LIMA: Pedro Lima Design was
11 discharged as a company uh roughly, it was in
12 the fall of 2009, but I did--I stopped--I was
13 closing down shop. I wasn't taking any new
14 business, just--just working out my projects.
15 I believe it was around March, April, maybe
16 May of 2009, is when I started to realize I
17 was not going to be able to keep that
18 company. And New York Urban Stone--

19 MR. KHODOROVSKY: (Interposing) Well,
20 I'm sorry. I apologize for interrupting you.
21 You said it was a discharged company. Do you
22 mean you dissolved it completely?

23 MR. LIMA: I'm sorry; yeah--yeah, what
24 am I saying? Yes.

25 MR. KHODOROVSKY: No, that's fine.

1
2 MR. LIMA: I'm sorry. Yeah, I--the
3 company, I dissolved the company.

4 MR. KHODOROVSKY: And New York Urban
5 Stone--you were starting to say. I
6 apologize.

7 MR. LIMA: New York Urban Stone was a
8 little bit more complicated. I--I am in the
9 process of dissolving the company, but it
10 had--the state actually made a number of
11 mistakes on the sales tax, for that company.
12 So, it has taken well over six months, for
13 the state to correct those sales tax
14 problems. And--but it is almost dissolved.
15 But I haven't done any business with New York
16 Urban--or that company did no business after
17 August or September of 2009.

18 MR. KHODOROVSKY: Okay. Let me ask you
19 this. Were both of these companies, Pedro
20 Lima Design, were you the only shareholder?

21 MR. LIMA: Yes.

22 MR. KHODOROVSKY: And New York Urban
23 Stone, are there any other shareholders
24 beside you?

25 MR. LIMA: No.

MR. KHODOROVSKY: Now, currently, Mr. Lima, as we are sitting here today, besides those two companies that you mentioned, are you an officer or director of any other companies?

MR. LIMA: No.

MR. KHODOROVSKY: Let me rephrase the question a little bit. As we sit here today, are you an officer or director of any not for profit organizations?

MR. LIMA: Yes.

MR. KHODOROVSKY: Which organizations?

MR. LIMA: The American Society of Interior Designers. New York--

MR. KHODOROVSKY: (Interposing) Okay.

MR. LIMA: I'm sorry.

MR. KHODOROVSKY: Go ahead.

MR. LIMA: New York Metro Chapter.

MR. KHODOROVSKY: And what position do you hold?

MR. LIMA: I am the President.

MR. KHODOROVSKY: And as the President, what do you do?

MR. LIMA: I essentially manage and run

1
2 a--the chapter, which is the New York area
3 and there are roughly 2,000 members. So,
4 it's a volunteer position, and I am charged
5 with the responsibility of the association
6 effectively helping the members to maintain
7 their businesses and make money and develop
8 themselves professionally, and also advance
9 the profession of interior design through
10 legislation.

11 MR. KHODOROVSKY: You mean advocacy,
12 essentially?

13 MR. LIMA: Correct. Although that is
14 not the primary goal of the association.

15 MR. KHODOROVSKY: Okay. And you said
16 it's a volunteer position, so you don't have
17 any salary?

18 MR. LIMA: Correct, no salary.

19 MR. KHODOROVSKY: And when did you start
20 at this position?

21 MR. LIMA: October of 2009, and the year
22 prior, October of 2008 to--through October--
23 through September of 2009, I was the
24 President-Elect. So, it was essentially like
25 a vice president's position.

MR. KHODOROVSKY: Mm hmm.

MR. LIMA: So that was a support to the president. So, I've been on the Board of Directors for two years--roughly two years. It will be two years next month, in September of 2010.

MR. KHODOROVSKY: Mm hmm. And as the vice--as this President-Elect, or like, you said almost a vice president, did that have any compensation?

MR. LIMA: No. I have never received any compensation from my volunteer work there.

MR. KHODOROVSKY: Well, - - compensation, do you--do you, as part of your position, do you organize any events?

MR. LIMA: I do.

MR. KHODOROVSKY: And when you organize events, do you get any expenses reimbursed?

MR. LIMA: Yes.

MR. KHODOROVSKY: So you do get expense reimbursements?

MR. LIMA: Yes.

MR. KHODOROVSKY: Well, let me ask you

1
2 this. Let me--I'm sorry; let me ask you a
3 somewhat different question. You said you
4 started being the President of--of this
5 Association of Interior Designers, New York
6 Metro Chapter, in October 2009. Is there any
7 termination date for your term as President?

8 MR. LIMA: September 31st, 2010.

9 MR. KHODOROVSKY: And is there another
10 President-Elect who is scheduled to replace
11 you?

12 MR. LIMA: Yes.

13 MR. KHODOROVSKY: And I guess, to get to
14 this position, or--do you have to have any
15 professional licenses?

16 MR. LIMA: Yes.

17 MR. KHODOROVSKY: Do you have any
18 professional licenses?

19 MR. LIMA: Yes. I'm sorry; yes.

20 MR. KHODOROVSKY: And which ones do you
21 have?

22 MR. LIMA: I have a--I am a Certified
23 Interior Designer in New York State. I am
24 NCIDQ Certified, and--

25 MR. KHODOROVSKY: (Interposing) I'm

1
2 sorry; can you--I apologize.

3 MR. LIMA: Sure. Sure.

4 MR. KHODOROVSKY: Could I get you to
5 explain that?

6 MR. LIMA: N-C-I-D-Q, is stands for the
7 National Council for Interior Design
8 Qualifications--or of Interior Design
9 Qualifications, which is a--it's a
10 standardized test that designers can take, in
11 order to become certified by NCIDQ. So, it's
12 comparable to an architect passing the bar.
13 The bar? Is that the--whatever their test
14 is.

15 MR. KHODOROVSKY: No, I understand. Let
16 me ask you--let me ask you this question.
17 And those two licenses that you mentioned,
18 are they in good standing?

19 MR. LIMA: Yes.

20 MR. KHODOROVSKY: Okay. And do you have
21 to get, as part of those licenses, do you
22 have to get them recertified--

23 MR. LIMA: (Interposing) Yes.

24 MR. KHODOROVSKY: -after a certain
25 period of time?

MR. LIMA: Yes.

MR. KHODOROVSKY: And when do you have to get those two recertified?

MR. LIMA: Every year I renew those--I renew the certification with New York State, and pay a fee. And for NCIDQ, I also renew my membership, because once you are certified, it is for life. But in order to--but you can also be a member of the association.

MR. KHODOROVSKY: And you renew your membership--how often do you renew it?

MR. LIMA: Yearly.

MR. KHODOROVSKY: Okay. Now, actually, I have to switch subjects and go back a little bit. Now, you said you organized events for ASID and you get expense reimbursements. Right?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. How--how much did you get in expense reimbursements in--in 2009? Well, let me ask you this question. Do you remember the figure or if you don't, just say you don't remember.

1
2 MR. LIMA: Is an approximate figure
3 okay?

4 MR. KHODOROVSKY: That will be fine.

5 MR. LIMA: Okay. Roughly around
6 \$1,000.00, in 2009.

7 MR. KHODOROVSKY: What about this year?

8 MR. LIMA: This year, expenses in the
9 range of \$5,000.00. Wait--

10 MR. KHODOROVSKY: (Interposing) To date,
11 as we sit here today?

12 MR. LIMA: Maybe \$2,500.00. I'm sorry;
13 there are some--there was a trip, so--so that
14 was the bulk of the money and then there's
15 charitable donations that I am expected to
16 make that the Chapter does reimburse me for.
17 So, essentially the Chapter is making those
18 donations, but I--I'm supposed to pay for
19 those. Things like that.

20 MR. KHODOROVSKY: Mm hmm. So, you said
21 the--but you get--you've gotten about
22 \$2,500.00 in reimbursements this year?

23 MR. LIMA: Yes.

24 MR. KHODOROVSKY: As we sit here today?

25 MR. LIMA: Yes.

1
2 MR. KHODOROVSKY: And did you get any
3 reimbursements for expenses when you were
4 President-Elect?

5 MR. LIMA: Yes.

6 MR. KHODOROVSKY: So, the \$1,000.00 that
7 you got, in 2009, that covers your time as
8 President and as President Elect?

9 MR. LIMA: Yes.

10 MR. KHODOROVSKY: Now, let me ask you
11 this question. For the American Society of
12 Interior Designers, the New York Chapter,
13 sorry; I take that back. For--for Urban
14 Stone, Inc.--New York Urban Stone, does that
15 company still have a bank account?

16 MR. LIMA: No.

17 MR. KHODOROVSKY: Does Pedro Lima Design
18 still have a bank account?

19 MR. LIMA: No.

20 MR. KHODOROVSKY: And when were those
21 closed?

22 MR. LIMA: Those were actually closed at
23 the same time, in the fall of 2009. I want
24 to say September, late September of 2009.
25 I'm trying to remember the weather, when I

1
2 went in.

3 MR. KHODOROVSKY: That's fine,
4 absolutely fine. Now, talking about bank
5 accounts, for American Society of Interior
6 Designers, New York Chapter, who has the
7 signatory authority on that organization's
8 bank account?

9 MR. LIMA: I do.

10 MR. KHODOROVSKY: And who, when the
11 organization files its tax returns, who would
12 sign the tax return?

13 MR. LIMA: I sign them.

14 MR. KHODOROVSKY: Has--let me ask you
15 this question. Has American Society of
16 Interior Designers, New York City Chapter,
17 filed its 2009 return?

18 MR. LIMA: Yes.

19 MR. KHODOROVSKY: Council, I--would it
20 be possible for me to request, from you, if
21 Mr. Lima can provide to you and then to my
22 office, a copy of that return?

23 MR. HAMILTON: Sure, to the extent it is
24 possible.

25 MR. KHODOROVSKY: Those--those are

documents that are actually public. If it's a--if it's a registered 501(c)3 charity, those should be public.

MR. LIMA: It's a not for profit.

MR. KHODOROVSKY: No, the reason I'm saying this, is I actually have in my possession, a 2007 tax return, I guess signed by one of your predecessors, American Society of Interior Designers--

MR. LIMA: (Interposing) One of my--you mean a former Chapter President?

MR. KHODOROVSKY: Yes. I think--I think--let me just see if you can recognize who--who this signatory is. Yeah, a gentleman named John Buskarello.

MR. LIMA: John Buskarello was the Financial Director.

MR. KHODOROVSKY: He was the Financial Director?

MR. LIMA: Right.

MR. KHODOROVSKY: Okay. Yeah, so--so those--some of these are public. I can get them from the internet.

MR. LIMA: I understand.

1
2 MR. KHODOROVSKY: Because it's a public
3 document for the not for profit organization.
4 So, if possible, because I haven't been able
5 to find the 2009 return. If I could get a
6 copy of the 2009 return I would appreciate
7 it.

8 MR. LIMA: Okay.

9 MR. KHODOROVSKY: Would that be
10 possible?

11 MR. LIMA: Yes, that would be possible.

12 MR. KHODOROVSKY: Thank you so much.

13 MR. LIMA: May I ask why this is
14 important, because I am going to be asked by
15 my Chapter why my personal finances--

16 MR. KHODOROVSKY: (Interposing)
17 Absolutely. I can--I can definitely explain
18 to you why our office would need this
19 document. We would like to review, and
20 understand, and confirm your testimony
21 today,--

22 MR. LIMA: (Interposing) Mm hmm.

23 MR. KHODOROVSKY: -regarding
24 compensation, reimbursement of expenses,
25 things like that. This would be a perfect

document.

MR. LIMA: Okay.

MR. KHODOROVSKY: In fact, if anything, the reason--I'll show you--I'll show you how this form is structured, the Form 990 that is from 2007, that I think is from one of your predecessors--that Mr. Buskarello signed, there is a--there is a portion there that-- that talks about, you know officers and directors and their compensation. And that's why we would need this document. Because it will confirm your testimony.

MR. LIMA: Okay, great.

MR. KHODOROVSKY: It's just very, very helpful.

MR. LIMA: Great, okay.

MR. KHODOROVSKY: Thank you so much. Let me just ask you a couple of brief questions, then we'll go into your Petition Schedules. Mr. Lima, are you currently married?

MR. LIMA: No.

MR. KHODOROVSKY: Have you ever been divorced?

MR. LIMA: No.

MR. KHODOROVSKY: Okay. Let's--let's turn to your schedules. I have given you and your counsel a copy of your schedules. So, let's turn to your Schedule J, as in James. I want to ask you a couple of questions about your expenses. And if you can't find it, counsel, Mr. Hamilton should be able to help you.

MR. LIMA: I found it, thank you.

MR. HAMILTON: - - .

MR. KHODOROVSKY: So, Mr. Lima, let's turn to your Schedule J, of the schedules you had filed with the court. Mr. Lima, are you familiar with the information contained in your Schedule J?

MR. LIMA: Yes.

MR. KHODOROVSKY: And is it true and accurate to the best of your knowledge?

MR. LIMA: Yes.

MR. KHODOROVSKY: Mr. Lima, as we sit here today, right now, would you like to make any changes to that information?

MR. LIMA: No.

MR. KHODOROVSKY: Okay. - - , starting with the beginning. Are you up to date with your rent payments, after filing bankruptcy?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Let's--let's look down a little bit. Do you see there, at line 2c, for telephone expenses, \$170.00 a month.

MR. LIMA: Yes.

MR. KHODOROVSKY: What does that cover?

MR. LIMA: I know, I'm trying to make sure I read across the lines properly. The--

MR. KHODOROVSKY: If you need a straight edge, I can give you my folder.

MR. LIMA: The telephone covers the landline. I believe it was for my apartment and for my office, which I paid out of my personal funds.

MR. KHODOROVSKY: And where is your office, by the way?

MR. LIMA: 11 West 25th Street.

MR. KHODOROVSKY: In the City?

MR. LIMA: Yes, in New York City, yes. I don't pay any rent any more.

1
2 MR. KHODOROVSKY: So, when did you stop
3 paying rent for your office?

4 MR. LIMA: About two months ago.

5 MR. KHODOROVSKY: After you filed for
6 bankruptcy?

7 MR. LIMA: Correct, yes. They took pity
8 on me. Essentially, I use the address. I
9 don't actually work, very often, from there.
10 That was one of the things that I needed to
11 change after my bankruptcy, so that I could
12 adjust my life.

13 MR. KHODOROVSKY: Now you said this
14 \$170.00 covers the landline for the apartment
15 and the office.

16 MR. LIMA: Yes.

17 MR. KHODOROVSKY: Do you have a cell
18 phone?

19 MR. LIMA: I do.

20 MR. KHODOROVSKY: And what did you--did
21 you list your cell phone expenses--

22 MR. LIMA: (Interposing) Can I ask a
23 question? I can't remember, does that
24 telephone--is there a cell phone line item on
25 this?

1
2 MR. KHODOROVSKY: I think you may need
3 to address the question to your counsel.

4 MR. LIMA: Is there a cell phone line
5 item on this?

6 MR. HAMILTON: I believe that's for
7 everything.

8 MR. LIMA: I think--okay, then may I--
9 may I say that that would be my cell phone--
10 this would make a lot more sense. Okay.
11 That would be my cell phone, as well as my
12 landline, and my office line.

13 MR. KHODOROVSKY: So, the \$170.00 a
14 month, just so I understand it, I'm going to
15 repeat what I understand you are saying. If
16 I am incorrect, correct me. So, the \$170.00
17 a month covers your landline for your
18 apartment, your office, and your cell?

19 MR. LIMA: Correct.

20 MR. KHODOROVSKY: Now, regarding your
21 phone expenses, well--are any of your phone
22 expenses reimbursed by anybody else?

23 MR. LIMA: No.

24 MR. KHODOROVSKY: Does--does the
25 American Society of Interior Designers

reimburse any cell phone expenses for you?

MR. LIMA: No.

MR. KHODOROVSKY: And no landline phone expenses either?

MR. LIMA: No. No expenses other than charitable donations, or related trips for training. Or--or on occasion, there will be an event where I need to pay for a ticket. Those are the only types of reimbursements that are permitted.

MR. KHODOROVSKY: Now, let's--let's go down the line. Now, you see there, line 2(d), cable TV and internet, \$170.00 a month? Do you see that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. As--does American Society of Interior Designers have an office?

MR. LIMA: Yes--no, we don't. We don't.

MR. KHODOROVSKY: Let me ask you this then. If you look at the 2007 return, and if you don't know you don't know. But there is an address there for Dynamic Management Services, 551 Fifth Avenue, Room 3010, New

York, New York.

MR. LIMA: Yes.

MR. KHODOROVSKY: Is that an office that the organization uses or--?

MR. LIMA: That is--that is the office of our management company.

MR. KHODOROVSKY: Can you explain that?

MR. LIMA: I apologize. As a--as an association, we don't have a physical location in the New York Metro Chapter, which is somewhat unusual, for--for ASID, because expenses in New York, and just a number of reasons. So, we--we have a management company, every month, on retainer, that does all of the administrative work for the chapter. And we pay a fee to them, and then their expenses are essentially unknown to us, really, but.

MR. KHODOROVSKY: But--but that would be the address--well, let's say somebody wants-- if somebody wants to send mail--

MR. LIMA: (Interposing) Yes.

MR. KHODOROVSKY: I apologize, please let me finish.

MR. LIMA: I'm sorry. I'm sorry.

MR. KHODOROVSKY: So, if somebody wants to send mail, to the American Society of Interior Designers, they would write to Dynamic Management Services, 551 Fifth Avenue, etcetera?

MR. LIMA: Yes. They would--they would write American Society of Interior Designers, and then put that address on there.

MR. KHODOROVSKY: Mm hmm.

MR. LIMA: But, I think technically it is Dynamic Management's address, but they let us use that address. They don't have--they wouldn't have to do that. We could have a P.O. Box.

MR. KHODOROVSKY: But does--does ASID currently have a P.O. Box?

MR. LIMA: No, we don't.

MR. KHODOROVSKY: So, you use that address, the 551 Fifth Avenue?

MR. LIMA: Yes, we do. We do use that address, yes.

MR. KHODOROVSKY: Okay. And there's--is there any equipment there - -location that

1
2 you could use for yourself or for ASID?

3 MR. LIMA: No.

4 MR. KHODOROVSKY: Let's stay on the same
5 page but let's change the subject a little
6 bit. Let's go down to line 8,
7 transportation, not including car payments,
8 \$200.00 a month. Is that correct?

9 MR. LIMA: Yes.

10 MR. KHODOROVSKY: Can you explain to me
11 what--what this is for?

12 MR. LIMA: That would be for my subway
13 card, which is, I think it was \$85.00, or
14 \$89.00 this year--I mean a month; I'm sorry;
15 they changed it. And then the additional
16 funds would be for--for a zip car, because I
17 would need to, on occasion, for--for my
18 businesses, would need to travel to various
19 clients. And again, last year I was mostly
20 wrapping up projects, because I was closing
21 the business. So, I didn't have the--because
22 those would be a lot more money, if I was
23 doing a lot of transportation. But, I wanted
24 to be really thorough, and so I sort of--what
25 I did was I just averaged out the year and

1
2 that would be--that was the average. And
3 there are a few taxi cabs that I also looked
4 at and I included it in there probably about
5 one or two a month.

6 MR. HAMILTON: Just to clarify, this
7 should be current.

8 MR. LIMA: This is not current.

9 MR. KHODOROVSKY: So, basically, just--
10 just--actually, let me rephrase it. So, as
11 we sit here today, do you use the zip car
12 anymore?

13 MR. LIMA: No.

14 MR. KHODOROVSKY: And how much--how much
15 would you say you are saving per month, by
16 not using a zip car?

17 MR. LIMA: About \$100.00.

18 MR. KHODOROVSKY: And those
19 transportation expenses, any of that portion
20 gets reimbursed by anybody, or by ASID?

21 MR. LIMA: No, never. Oh, the taxi
22 cabs, yes.

23 MR. KHODOROVSKY: So the ASID reimburses
24 your taxi cabs?

25 MR. LIMA: Yes, uh huh, when I submit.

1
2 I don't--only if it is related and it's a
3 situation where I needed to take a cab,
4 because I was late or something really
5 serious like that. We are not encouraged to
6 do that though.

7 MR. KHODOROVSKY: I understand. And
8 what about your subway card, does--does ASID
9 reimburse any portion of your subway card?

10 MR. LIMA: No.

11 MR. KHODOROVSKY: Let's actually--can
12 you turn to the other page; it's the other
13 expenses on line 17?

14 MR. LIMA: Okay.

15 MR. KHODOROVSKY: Right there. See that
16 list of expenses?

17 MR. LIMA: Okay, yes.

18 MR. KHODOROVSKY: Excellent. Okay.
19 Let's look at the next to last line there.
20 You see where it says gifts, \$125.00 per
21 month?

22 MR. LIMA: Yes.

23 MR. KHODOROVSKY: Would you say that
24 figure is correct?

25 MR. LIMA: That figure is a little less

1
2 now.

3 MR. KHODOROVSKY: So, what would you say
4 it is now?

5 MR. LIMA: That's--\$75.00 a month, on
6 average, would be--would be about right.

7 MR. KHODOROVSKY: Now,--now that \$75.00
8 per month that you're saying, you say gifts.
9 What kind of gifts are these?

10 MR. LIMA: That would be things like I'm
11 pretty good about birthday cards. I try to
12 get, you know, really nice cards, because I
13 don't give--I used to give pretty nice gifts.
14 Just I would--you know I'm a designer; I like
15 to find nice things. But now it's--it's
16 birthday cards, maybe a gift of ten or 15
17 dollars, at the most, even at the holiday
18 season, I don't give--this last year or maybe
19 the year before, I don't remember, but not as
20 much as I usually did when I was making more
21 money.

22 MR. KHODOROVSKY: I understand. I
23 understand. So, let me ask you this. If you
24 think back, to before you filed for
25 bankruptcy, one year before you filed for

1
2 bankruptcy, did you give any gifts to any
3 person that were over \$200.00 in value?

4 MR. LIMA: No.

5 MR. KHODOROVSKY: So, throughout 2009,
6 you didn't give a gift to anybody, over
7 \$200.00 in value?

8 MR. LIMA: No. Maybe--but not much over
9 that. I just want to be--if I looked at my
10 bank statements, it might be to a boyfriend
11 or something like that.

12 MR. KHODOROVSKY: We'll get to - - a
13 little later.

14 MR. LIMA: Okay.

15 MR. KHODOROVSKY: Okay. Let me ask this
16 question in a somewhat different fashion.
17 Let's again think back one year before you
18 filed for bankruptcy, did you make any
19 charitable contributions to any organization
20 over \$100.00 in value?

21 MR. LIMA: And is this for--

22 MR. KHODOROVSKY: (Interposing) April
23 2009 through April 2010, the year before you
24 filed.

25 MR. LIMA: Yes, I did. Yes.

1
2 MR. KHODOROVSKY: You did? And who did
3 you give the contributions to?

4 MR. LIMA: I gave money to an
5 association--to the Education Legacy Fund.

6 MR. KHODOROVSKY: Can you explain to me
7 what that is? I apologize.

8 MR. LIMA: Sure. That is an association
9 that is affiliated with the ASID New York
10 Metro Chapter, that gives scholarships to any
11 of the five accredited interior design
12 programs in New York City. There are five
13 CIDA, C-I-D-A, so it's a specific number of
14 schools that they give money. So, I would--I
15 gave money for that. I also gave money for
16 the, I think it's called the American Society
17 of Interior Designers Foundation, and that is
18 a national charity. So, it's not the same
19 thing as the regular ASID. So, the national
20 foundation, as well, provides scholarship
21 money and they do charitable work. And what
22 else? There might have been--

23 MR. KHODOROVSKY: (Interposing) Take
24 your time.

25 MR. LIMA: I think that's it.

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MR. KHODOROVSKY: That's it? Okay.

MR. LIMA: I think that's it, yeah.

MR. KHODOROVSKY: Okay. So, let me--

MR. LIMA: (Interposing) Those are the big ones.

MR. KHODOROVSKY: Okay. Okay. That's helpful. Let me ask you this. The--let's start with the ASID Foundation, how much did you give them during the year before you filed? In total?

MR. LIMA: Let me clarify, I gave them \$250.00. I was reimbursed for that. That's what I was referring to with ASID. So, I was reimbursed for that. I don't know if that's--I don't know how that plays in, but I was reimbursed for that.

MR. KHODOROVSKY: For the entire amount?

MR. LIMA: I was reimbursed for the entire amount of all of the charitable organizations that I contributed to.

MR. KHODOROVSKY: So, so all the charitable contributions you made, during the year before filing, all of them were reimbursed?

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MR. LIMA: I think so, yes.

MR. KHODOROVSKY: And--and I understand they were reimbursed to you, but so you said you gave ASID about \$250.00 in total?

MR. LIMA: It was closer to; I think it was more than that. What did I put here?

MR. KHODOROVSKY: Well, you put down that you made \$125.00 in - - a month.

MR. LIMA: Yeah, because I--yes, because I made a donation for \$250.00 to the foundation, and about \$200.00 to ELF.

MR. KHODOROVSKY: To the Educational Legacy Fund?

MR. LIMA: Yeah, I'm sorry; to ELF, Educational Legacy Fund. I can't remember if there were others. Those are the major ones that I recall though.

MR. KHODOROVSKY: So, at least \$500.00 in contributions--

MR. LIMA: (Interposing) Yeah.

MR. KHODOROVSKY: -you made during that year?

MR. LIMA: Yes.

MR. KHODOROVSKY: During that time

period?

MR. LIMA: Yes. Yes, at least.

MR. KHODOROVSKY: And that was - - .

MR. LIMA: Oh, you know what? I also gave money to, there's a scholarship fund at my--at the Art Institute of New York City.

MR. KHODOROVSKY: Mm hmm.

MR. LIMA: And I would give money every three months, because I teach one of the portfolio--the graduates, I teach them in their last class. So, I--we have a scholarship and I always give some money to the scholarship--the school scholarship, which I pay for; it's not reimbursed.

MR. KHODOROVSKY: And let me ask you this. During the--the same period we talked about, April 2009 to April 2010, how much did you give to that scholarship fund?

MR. LIMA: About \$100.00 maybe.

MR. KHODOROVSKY: Total?

MR. LIMA: Yeah. Yeah, about \$100.00 total because--yeah, I give more now than I did that year.

MR. KHODOROVSKY: Okay. Let's--let's

1
2 change subjects here and I want to talk to
3 you about the last line here. Do you see tax
4 payments, \$500.00 a month?

5 MR. LIMA: Yes.

6 MR. KHODOROVSKY: So who are those
7 payments to?

8 MR. LIMA: Those are payments that I
9 have been making to New York State and IRS.

10 MR. KHODOROVSKY: How much to the New
11 York State? How much to the IRS?

12 MR. LIMA: How much--oh--

13 MR. KHODOROVSKY: (Interposing) Per
14 month?

15 MR. LIMA: \$250.00.

16 MR. KHODOROVSKY: Each?

17 MR. LIMA: Yes.

18 MR. KHODOROVSKY: Per month?

19 MR. LIMA: Per month, right.

20 MR. KHODOROVSKY: And what does these
21 taxes that you are paying them, what do these
22 relate to?

23 MR. LIMA: Those are all related to--
24 actually let--the majority of--I'm not so
25 great with the numbers on that, but the

1 majority of those payments are for my
2 personal businesses. And so those were taxes
3 that I owed for the businesses, which I, you
4 know I couldn't discharge those. So, I've
5 been budgeting that in, every month, paying
6 as much as I can.

7
8 MR. KHODOROVSKY: And the ones for your
9 businesses, especially the ones to the state,
10 are they related to sales taxes or
11 withholding taxes or income taxes? What kind
12 of taxes? If you know?

13 MR. LIMA: A small portion is the sales
14 tax. I think it's just a regular business--

15 MR. KHODOROVSKY: (Interposing) Business
16 income tax?

17 MR. LIMA: Business income tax, yeah. A
18 very small portion of personal paychecks. I
19 think I paid myself about maybe \$5,000.00 in
20 2009--a paycheck kind of just to my own self.
21 So, that--and I also, because Westwood
22 College is in Denver, I have to pay taxes to,
23 I think it's New York State or New York City.
24 But that's a very--that would be a very small
25 percentage, because I try to keep current on

that one, for income.

MR. KHODOROVSKY: Mm hmm. Let me ask you this question. Since you had filed for bankruptcy, after you had filed, are you current with those \$500.00 a month payments?

MR. LIMA: Yes.

MR. KHODOROVSKY: And has--have the taxing authorities been billing you, even after you had filed?

MR. LIMA: Well, - - , yes.

MR. KHODOROVSKY: You had - - , you had filed for bankruptcy?

MR. LIMA: Yes. Yeah, the IRS I worked out a payment plan with them. I think it was \$250.00 a month. It might have been less than that, but that was what--what I--the most I could do. And then the New York State actually never billed me, but I--

MR. KHODOROVSKY: (Interposing) After you filed?

MR. LIMA: Yeah, or even before. They never--they never billed me in terms of a payment plan or anything like that. I just paid them the same as I did the IRS, but in

fact they never even contacted me.

MR. KHODOROVSKY: Okay. Let's switch gears a little bit. And ask you very different kinds of questions. Mr. Lima, do you currently own a vehicle of any kind?

MR. LIMA: No.

MR. KHODOROVSKY: Have you owned a vehicle in the last five years?

MR. LIMA: I've leased.

MR. KHODOROVSKY: When did you lease a car?

MR. LIMA: I leased in 2000 and I had a three year lease and a two year lease, total. I think the--the lease ended early 2009.

MR. KHODOROVSKY: What kind of a car was it?

MR. LIMA: BMW.

MR. KHODOROVSKY: Do you know--do you know the make and the model?

MR. LIMA: Yeah it was--I had an X3 for two years and then three years before that I had a, like a--the smaller, the 300, 325 series.

MR. KHODOROVSKY: A BMW?

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2

MR. LIMA: Yes.

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MR. KHODOROVSKY: Okay. And the last--
your last vehicle, at the end of the lease,
did you just surrender the car?

6

MR. LIMA: Yes.

7

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MR. KHODOROVSKY: Okay. I'm asking you
this kind of question. Mr. Lima, as we sit
here today, do you currently own any shares
of stock?

11

MR. LIMA: No.

12

MR. KHODOROVSKY: Any bonds?

13

MR. LIMA: No.

14

MR. KHODOROVSKY: Any mutual funds?

15

MR. LIMA: No.

16

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MR. KHODOROVSKY: At your place of work,
do you have an IRA?

18

MR. LIMA: IRA?

19

MR. KHODOROVSKY: A retirement account.

20

MR. LIMA: I have a 401(k).

21

MR. KHODOROVSKY: You have a 401(k)?

22

MR. LIMA: Yeah, I have two.

23

MR. KHODOROVSKY: You have two 401(k)s?

24

MR. LIMA: Yes.

25

MR. KHODOROVSKY: Okay. What about--let

1
2 me ask you about intellectual properties,
3 like trademarks copy writes or patents, do
4 you own any of that?

5 MR. LIMA: No.

6 MR. KHODOROVSKY: Okay. And regarding
7 your companies--New York Urban Stone, and
8 Pedro Lima Design, are there any accounts
9 receivable receivables that they may be able
10 to collect from anybody? Anybody not pay
11 them and they might have a right to get them
12 - - ?

13 MR. LIMA: Yes.

14 MR. KHODOROVSKY: They do?

15 MR. LIMA: Yes.

16 MR. KHODOROVSKY: And how much would
17 they have in--in unpaid receivables?

18 MR. LIMA: It was--it was quite a bit.
19 Probably about--at least \$50,000.00.

20 MR. KHODOROVSKY: So, that's something
21 the clients never paid you?

22 MR. LIMA: That's correct, yes.

23 MR. KHODOROVSKY: Now, any of these
24 companies, when they operated, did they ever--
25 -did any of them ever have a website?

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MR. LIMA: Yes, they both had websites.

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MR. KHODOROVSKY: And did anybody have
copy writes to the content on the websites?
If you know?

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MR. LIMA: No. No. I know what you're
saying, no, I didn't have copy writes. I
didn't want people to take my pictures,
because--but no, there was no copy write or
anything like that.

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MR. KHODOROVSKY: Okay. Well, let me
ask you this. Mr. Lima, for yourself,
personally, have you filed your 2009 tax
return?

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MR. LIMA: Yes, I have.

MR. KHODOROVSKY: Okay, counsel, can you
get my office a copy of the 2009 return?

19

20

MR. KHODOROVSKY: Because I--I don't
have it.

21

MR. HAMILTON: Okay.

22

23

24

25

MR. KHODOROVSKY: Okay. Let's go back.
Let's turn to your Schedule G, as in George.
I want to talk to you about some of this - -
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MR. HAMILTON: - - before that.

MR. LIMA: Okay.

MR. KHODOROVSKY: Showcase Kitchens,
NYCD, do you see that listed?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Lease for 11
West 25th Street, Second Floor, do you see
that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. And is that the
lease for that office you talked about?

MR. LIMA: Yes.

MR. KHODOROVSKY: And you said you
stopped paying for it two months ago?

MR. LIMA: Yes.

MR. KHODOROVSKY: Are--is--is the
landlord making any attempts to evict you or
uh--?

MR. LIMA: No, he likes me. He's just--
he--essentially, I don't use the space. I do
on occasion, but he is a kitchen showroom, so
there is other products that--he uses the
room for meetings and things like that. But
he does let me use the address, currently.

1
2 And because of my position, with ASID, you
3 know he--he respects me as a designer, and I
4 think that it helps him to say that he is
5 affiliated, at least with me, and you know.

6 MR. KHODOROVSKY: I understand. Okay.
7 By the way, let me ask you this. How much is
8 the rent for that space each month?

9 MR. LIMA: Now it--

10 MR. KHODOROVSKY: (Interposing) - - you
11 haven't paid it for two months, but--

12 MR. LIMA: The uh--

13 MR. KHODOROVSKY: -other than that,
14 before then, how much was it?

15 MR. LIMA: Before that it was \$1,500.00.

16 MR. KHODOROVSKY: A month?

17 MR. LIMA: Yeah--yes.

18 MR. KHODOROVSKY: Okay. Okay. Let's go
19 back and if you can turn--and counsel can
20 help you--to your Schedule F as in Franklin.
21 Okay. Mr. Lima, take a look at your Schedule
22 F. Are you there?

23 MR. LIMA: Yes.

24 MR. KHODOROVSKY: I would like to ask
25 you about some of your debts and liabilities

1
2 listed there. Let me ask you, Mr. Lima, are
3 you familiar with the information contained
4 in your Schedule F?

5 MR. LIMA: Yes.

6 MR. KHODOROVSKY: Would you say that it
7 is true and accurate to the best of your
8 knowledge?

9 MR. LIMA: Yes.

10 MR. KHODOROVSKY: And as we sit here
11 today, Mr. Lima, would you like to make any
12 changes to the information in your schedule
13 F?

14 MR. LIMA: Let me just--

15 MR. KHODOROVSKY: (Interposing)
16 Definitely.

17 MR. LIMA: -look again. No, no changes.

18 MR. KHODOROVSKY: Okay. Let me ask you
19 about some of your accounts, some of your
20 debts listed here. If you could turn to the
21 last page of it, of your Schedule. Do you
22 see the--are you there?

23 MR. LIMA: Yes.

24 MR. KHODOROVSKY: Do you see there
25 listed an account with a T.D. Bank?

1

2

MR. LIMA: Yes.

3

MR. KHODOROVSKY: The last four digits--

4

MR. LIMA: (Interposing) I'm sorry.

5

MR. KHODOROVSKY: Let me finish. I

6

apologize. Do you see there listed an

7

account with T.D. Bank, last four digits of

8

the account being 8213?

9

MR. LIMA: Yes.

10

MR. KHODOROVSKY: The very top line.

11

What is--what is that? What is that

12

liability?

13

MR. LIMA: That is a line of credit,

14

for--

15

MR. KHODOROVSKY: (Interposing) For - -

16

?

17

MR. LIMA: No, for Pedro Lima Design.

18

MR. KHODOROVSKY: And you guaranteed it?

19

MR. LIMA: I guaranteed a portion of it.

20

MR. KHODOROVSKY: How much did you

21

guarantee?

22

MR. LIMA: I believe it was up to

23

\$25,000.00.

24

MR. KHODOROVSKY: The reason I'm asking,

25

because you said \$25,000.00, but I see here

1
2 the debt is \$51,925.65. Why is it--why is it
3 so high? So, in excess of the \$25,000.00?

4 MR. LIMA: The guarantee is--the credit
5 was fifty--the line of credit total was
6 \$50,000.00, but in the contract, just in
7 through the--the whole process of the
8 bankruptcy, I tried to be as familiar with
9 what's--and I--and I saw that it was half of
10 the line of credit. I was the--I personally
11 guaranteed that, even though it was a
12 business line of credit.

13 MR. KHODOROVSKY: Okay, no, no, I
14 understand. Thank you.

15 MR. LIMA: Okay.

16 MR. KHODOROVSKY: Let's go to the page
17 right before this. Do you see there a--a--
18 you listed as a creditor, with an unknown
19 amount, a company called SACHE Payment
20 Solutions.

21 MR. LIMA: Yes.

22 MR. KHODOROVSKY: What is that?

23 MR. LIMA: That is a credit collections
24 company.

25 MR. KHODOROVSKY: They're collecting on

one of your credit cards?

MR. LIMA: No, that's not a credit card that I own. That's a--that's a--that was a company that was--that had to do with a client not paying me the--the amount of money that they should have and so--

MR. KHODOROVSKY: (Interposing) So, they're collecting for you--collecting money other people owed you?

MR. LIMA: Actually, you know what? That--that was--the client had paid me--

MR. KHODOROVSKY: I guess the client paid you with a credit card, or--?

MR. LIMA: They did pay me with a credit card, a portion of their final balance, which is for stone. But I actually billed that through my Pedro Lima Design, not Urban Stone. And then they tried to reverse the charges. I want to make sure I'm saying that right--

MR. KHODOROVSKY: (Interposing) No, I understand what you're saying.

MR. LIMA: -they tried to reverse the charges--

1
2 MR. KHODOROVSKY: (Interposing) I
3 actually understand what you are saying.

4 MR. LIMA: -because they weren't happy.
5 And so, the--that company--

6 MR. KHODOROVSKY: (Interposing) You
7 hired them to collect it?

8 MR. LIMA: No, no, they were trying to
9 get the money back from me, for their
10 materials, which they already had in their
11 house.

12 MR. KHODOROVSKY: So, the company was
13 collecting from you, for that client?

14 MR. LIMA: Yes.

15 MR. KHODOROVSKY: I'm understanding.
16 Okay, great. The one--there is a line right
17 about it, the company called MZM.

18 MR. LIMA: Yes.

19 MR. KHODOROVSKY: What is MZM?

20 MR. LIMA: MZM is a furniture
21 manufacturer.

22 MR. KHODOROVSKY: And you would buy
23 their product?

24 MR. LIMA: Yes.

25 MR. KHODOROVSKY: To resell through your

businesses?

MR. LIMA: Yes.

MR. KHODOROVSKY: Would you buy them personally or in the name of the companies?

MR. LIMA: In the name of the companies.

MR. KHODOROVSKY: But were you personally liable on--for anything that you haven't paid those companies? Did you guarantee that?

MR. LIMA: Written, no. But, it--it was assumed that--that those payments would be made--

MR. KHODOROVSKY: (Interposing) Okay.

MR. LIMA: -regardless.

MR. KHODOROVSKY: I understand. The very last line here, Shoenbeck World Wide Lighting.

MR. LIMA: Mm hmm.

MR. KHODOROVSKY: What is that?

MR. LIMA: That is a lighting company, a lighting manufacturer.

MR. KHODOROVSKY: Would you buy their product?

MR. LIMA: Yes.

1
2 MR. KHODOROVSKY: For yourself or in the
3 names of the--through the companies?

4 MR. LIMA: Through the companies.

5 MR. KHODOROVSKY: Which one, Pedro Lima
6 Design, or Urban Stone?

7 MR. LIMA: Pedro Lima Design. If I may
8 explain one--one thing about that, it's the
9 Shoenbeck had--that company has a minimum
10 order, for products, in order to purchase.
11 So, I bought things, in order to--to take the
12 order from the client, I needed to buy
13 additional product that wasn't included in
14 their order. So, I just used my own money to
15 pay the difference for those--for the extra--
16 I'm going to say the extra product.

17 MR. KHODOROVSKY: Okay. So, let's--
18 let's think of it a little bit differently.
19 So, there is a minimum order from Shoenbeck
20 Worldwide Lighting. So, your client orders a
21 certain amount, which is less than the
22 minimum order. And the--whatever is the
23 surplus, you pay for with your own money.
24 Right?

25 MR. LIMA: Yes.

1
2 MR. KHODOROVSKY: So, what happens to
3 the product? Who--who keeps it?

4 MR. LIMA: Well,--

5 MR. KHODOROVSKY: (Interposing) The
6 surplus product?

7 MR. LIMA: I resold those products for
8 more than I purchased them. So, I made a
9 profit on them. So, I applied the profit, in
10 my mind at least, in the bank account, I
11 didn't necessarily go through all those
12 numbers, but the--the extra earnings from the
13 profit, I figured would cover the additional
14 cost of the product that I had to--to get.
15 So, those extra--they were some lamps, became
16 property of Pedro Lima Design. So, in
17 essence, they were like an inventory.

18 MR. KHODOROVSKY: Okay. And do you
19 currently--do you currently own any Shoenbeck
20 Worldwide Lighting products right now?

21 MR. LIMA: Yes.

22 MR. KHODOROVSKY: How much do you own
23 of--of those products?

24 MR. LIMA: I have three lamps.

25 MR. KHODOROVSKY: And where are they?

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MR. LIMA: They are in my apartment.

MR. KHODOROVSKY: Do you plan to resell them?

MR. LIMA: I have tried, many times, to resell them, yes. I can't--I haven't had any luck. Even at the wholesale value, they're somewhat expensive and so I'm having a hard time--I'm trying to sell those.

MR. KHODOROVSKY: Okay. And MZM, do you own any of their product right now?

MR. LIMA: No.

MR. KHODOROVSKY: Okay. Right above-- above MZM, do you see there is a line item for Infusion Soft?

MR. LIMA: Yes.

MR. KHODOROVSKY: Website creation? What does Infusion Soft do?

MR. LIMA: Infusion Soft was a website-- I'm going to say like a website management company. And that was affiliated with my website for New York Urban Stone.

MR. KHODOROVSKY: They managed that website?

MR. LIMA: Yeah, they did. Yeah. I'm

1
2 not sure if managed is the right word, but--
3 MR. KHODOROVSKY: (Interposing) Did they
4 create it?
5 MR. LIMA: No. I actually created that.
6 MR. KHODOROVSKY: Yourself?
7 MR. LIMA: Yes. I created it. New York
8 Urban Stone was a--was--was all kind of a
9 little bit homespun, in the sense that I
10 tried to do everything myself, as much as
11 possible. And then I think this is
12 important, because Infusion Soft was
13 something that I was--I--I feel like that--
14 that was something that was geared towards
15 search engine optimization, essentially.
16 MR. KHODOROVSKY: I understand.
17 MR. LIMA: Which is a way to sell the
18 product and--and I really wasn't ready to
19 make those--to step into that yet. And I
20 actually never got ready. I don't think I
21 ever needed that. And I was current on all
22 of my payments for them, regardless of the
23 fact that I wasn't making any money in--as
24 the company to pay that. But I was covering
25 it, however I had to. And then, after I

1
2 cancelled the contract, months later, they
3 tried to collect money from me, for canceling
4 the contract. So, they kept trying to get
5 money, even though I paid them--I'm not sure
6 if I missed a month, but I paid them as--as
7 much as I could. You know, I paid them
8 properly throughout the term of the
9 agreement. So,--

10 MR. KHODOROVSKY: Let me ask you this
11 question. Have they tried to collect from
12 you, after you had filed for bankruptcy?

13 MR. LIMA: No.

14 MR. KHODOROVSKY: Well then, let's
15 switch gears. And I would like to ask you
16 some of your questions--I would like to ask
17 you, Mr. Lima, some questions about your - -
18 transactions on your credit cards. And your
19 counsel provided us with some credit card
20 statements. So, we would like to ask you
21 some of them. The statements are right--are
22 provided in there.

23 MR. LIMA: Okay.

24 MR. KHODOROVSKY: In that packet. These
25 are not all the statements your counsel

1
2 provided to us. These are some. We selected
3 them; you know we just have questions about
4 certain transactions, not all of them. We'll
5 go over them page by page. So, what you need
6 to do is, what I am going to ask you is, to
7 the best of your recollection, when we ask
8 you about an item, just tell us what did you--
9 --if you bought it, what did you buy, why did
10 you buy it, what happened to it. If you
11 even--if you even bought it at all.

12 So, let's start with the--the first page
13 that we have here. There is a--you see
14 before you the Alaska Airlines mileage plan
15 card, from Bank of America, last four digits
16 of the account being 0581. The statement is
17 for April 2007. Do you see that?

18 MR. LIMA: Yes.

19 MR. KHODOROVSKY: And did you ever have
20 a--a card with that account number?

21 MR. LIMA: Yes.

22 MR. KHODOROVSKY: I want to ask you
23 about some charges on this page, that we are
24 looking at here. There is a charge there,
25 with a posting date of March 19th,

1
2 transaction date of March 16th, for \$450.00
3 for somebody named Markus Lemchem, L-E-M-C-H-
4 E-M. Who is--who is that? Do you see that
5 charge?

6 MR. LIMA: Mark Lemchem is a lawyer.

7 MR. KHODOROVSKY: What does he do, for
8 you?

9 MR. LIMA: He--he helped me write my
10 business contracts, um--I'm trying to--I'm
11 sorry: I'm--I can't remember all of the
12 reasons why I used him. But I have used him
13 - - .

14 MR. KHODOROVSKY: But you used him as a
15 lawyer?

16 MR. LIMA: Yes.

17 MR. KHODOROVSKY: Okay, let's flip the
18 page. Okay, do you see there, I am showing
19 there, on the same American Airlines Mileage
20 Plan Bank of America credit card, last four
21 digits of the account number being 0581. Do
22 you see that page?

23 MR. LIMA: Yes.

24 MR. KHODOROVSKY: Okay, good. Do you
25 see there a charge--if you go down, Cherry

1
2 Lawn Nursery, from New Rochelle, New York, of
3 \$192.92 with a transaction date of April
4 22nd?

5 MR. LIMA: Yes.

6 MR. KHODOROVSKY: Do you see that?

7 MR. LIMA: Yes.

8 MR. KHODOROVSKY: And Mr. Lima, did you
9 make that transaction?

10 MR. LIMA: I did.

11 MR. KHODOROVSKY: And what was that for?

12 MR. LIMA: That was--those were plants
13 that I purchased for my--my apartment. And I
14 got some pots for the plants, and sometimes I
15 can sell things like the pots, if I have a
16 project and I--or I use them in my
17 photography for my jobs, just little things
18 like that. So, they're--mostly though that
19 was for the--the foliage, the plants for my
20 apartment.

21 MR. KHODOROVSKY: You said you used them
22 for photography for your job. Do you own a
23 camera?

24 MR. LIMA: I do. It's not very good,
25 but yes, I do.

MR. KHODOROVSKY: You do. And what kind of a camera do you own?

MR. LIMA: It's a Nikon--it's a Nikon.

MR. KHODOROVSKY: Is it a digital camera?

MR. LIMA: Yeah.

MR. KHODOROVSKY: Is it a professional camera?

MR. LIMA: No.

MR. KHODOROVSKY: So, it's something that a casual person would use?

MR. LIMA: It is, yes.

MR. KHODOROVSKY: Okay. Staying on the same page, I wanted to ask you--see there right below the Cherry Lawn Nursery, there's a transaction with a Redwood Nursery of Larchmont, New York for April 22nd of 2007?

MR. LIMA: Yes.

MR. KHODOROVSKY: Of \$303.89 transaction?

MR. LIMA: I thought that was what we were just looking at.

MR. KHODOROVSKY: We were looking at the Cherry Lawn Nursery.

1

2

MR. LIMA: We were looking at the--okay.

3

4

MR. KHODOROVSKY: Now, I'm asking you
about Redwood Nursery.

5

MR. LIMA: The--okay, the Redwood, okay.

6

MR. KHODOROVSKY: What was that for?

7

MR. LIMA: More plants. Same thing.

8

Same thing.

9

MR. KHODOROVSKY: I understand. Let's--

10

let's flip the page.

11

MR. LIMA: Okay.

12

MR. KHODOROVSKY: If you stay--do you

13

see that I'm showing you the credit card

14

statement for June 2007, for the American

15

Airlines Plan, last four digits being 0581 of

16

the account. Do you see that?

17

MR. LIMA: Oh, yes, uh huh.

18

MR. KHODOROVSKY: Okay. Let's stay on

19

that page. This statement is for June 2007.

20

Do you see there a transaction for--on May

21

10th of 2007, with something called--for

22

\$273.06, something called Photo Art?

23

MR. LIMA: I don't see that. Where is

24

that?

25

MR. HAMILTON: It's that one there.

1

2

MR. LIMA: Oh, okay, Photo Art.

3

MR. KHODOROVSKY: Do you see that?

4

MR. LIMA: Yes.

5

6

MR. KHODOROVSKY: What was that transaction for? Well, first of all; sorry-- withdrawn. Did you make this transaction?

8

MR. LIMA: Yes.

9

MR. KHODOROVSKY: What was that for?

10

MR. LIMA: I don't remember, actually.

11

12

MR. KHODOROVSKY: Let's go up one line. Do you see there a transaction for May 10th, '07, for \$342.36 for something called NS Nutri System of Pennsylvania? Do you see that transaction?

15

16

MR. LIMA: Yes.

17

18

MR. KHODOROVSKY: Did you make that transaction?

19

MR. LIMA: Yes, I did.

20

MR. KHODOROVSKY: What was that for?

21

22

MR. LIMA: That was for diet--for food for Nutri System, the--

23

24

MR. KHODOROVSKY: (Interposing) The diet food company?

25

MR. LIMA: The diet food company, right,

1
2 yeah.

3 MR. KHODOROVSKY: Okay. Okay. Let's
4 look almost at the next to last line on the--
5 on the charges. Do you see there a charge on
6 May 26th, '07 for New York Times Job Market,
7 of \$583.00? Do you see that?

8 MR. LIMA: Yes.

9 MR. KHODOROVSKY: Did you make that
10 transaction?

11 MR. LIMA: Yes.

12 MR. KHODOROVSKY: What was it for?

13 MR. LIMA: I don't remember that. I
14 apologize; I don't remember what that was
15 for.

16 MR. KHODOROVSKY: No, please testify to
17 the best of your knowledge. If you--

18 MR. LIMA: (Interposing) I'm sorry.

19 MR. KHODOROVSKY: -don't remember, you
20 don't remember.

21 MR. LIMA: I don't remember what that
22 was for.

23 MR. KHODOROVSKY: Okay. Let's move to
24 the next page. We are still on the same
25 credit card, Alaska--Alaska Airlines, last

four digits being 0581, statement for August 2007. Do you see that?

MR. LIMA: No. Can you say--I'm sorry.

MR. KHODOROVSKY: I'm sorry; I apologize. Let me slow down a little bit. Do you see that we are on the August 2007 statement for the Alaskan Airlines credit card, the last four digits being zero--of the account number being 0581?

MR. LIMA: Yes.

MR. KHODOROVSKY: Do you see that? Excellent. Excellent. Okay. Let's--let's look at this page here. Do you see there a charge for \$119.00 made on July 8th, 2007, at something called Luna 61 in Tivoli, New York?

MR. LIMA: Yes.

MR. KHODOROVSKY: Do you see that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: I did.

MR. KHODOROVSKY: What was that for?

MR. LIMA: That was a food--that was a restaurant that I went to.

MR. KHODOROVSKY: Okay. And--and actually, let's look at the next to last line on the page. Do you see there a transaction on July 29th, 2007, \$499.00 with a company called Logo Works, in Utah?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was that for?

MR. LIMA: That was for graphic design work to make some logos.

MR. KHODOROVSKY: Okay. For your company?

MR. LIMA: I think it might have been letterhead, to make the letterhead or the envelopes, yes those are--those are for my company.

MR. KHODOROVSKY: Okay. Let's flip to the next page. Do you see--you're looking at the Visa Signature Card, December 2007 statement, last four digits of the account being 0581?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Let's look at the second line here. Do you see a charge for November 23rd, '07, for \$234.00 at the Senator Inn Spa in Augusta, Maine?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make that transaction?

MR. LIMA: I did.

MR. KHODOROVSKY: What was that for?

MR. LIMA: That was for a massage, two people.

MR. KHODOROVSKY: At--at that hotel?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Let's--let's go down to the third transaction from the top--from the bottom; I apologize--third transaction from the bottom. Do you see there a charge for \$199.60 made on December 2nd, '07 for PayPal Hawaiian SCE? Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was that for? If you remember?

MR. LIMA: PayPal Hawaiian SCE. I don't

remember.

MR. KHODOROVSKY: Okay. The next transaction below that, do you see a transaction with a transaction date of December 4th, '07 made at--for \$104.83 with the Executive Essentials in Illinois?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was that for? Sorry; withdrawn. Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was it for?

MR. LIMA: I don't remember that either. Essentials--

MR. KHODOROVSKY: (Interposing) Okay.

MR. LIMA: Oh, no, that's--I do remember. That is--those are like health care--not health care--grooming products.

MR. KHODOROVSKY: Personal grooming products?

MR. LIMA: Personal grooming products, yes.

MR. KHODOROVSKY: Okay. And right below, do you see a transaction on December

1
2 4th, of '07, with a--for \$85.31 at Sunburst
3 Bottle Company?

4 MR. LIMA: Yes.

5 MR. KHODOROVSKY: Did you make this
6 transaction?

7 MR. LIMA: Yes.

8 MR. KHODOROVSKY: And to the best of
9 your knowledge, what was that for?

10 MR. LIMA: Sunburst Bottle--I took a
11 trip to Hawaii. I don't even remember the
12 year, but this might be--this might be
13 related to that--maybe--maybe not. I don't
14 know, but the only thing I can think of is
15 that it would be wine, from that trip.
16 Sunburst Bottle?

17 MR. KHODOROVSKY: So you bought wine on
18 the trip to Hawaii?

19 MR. LIMA: Yeah, but I bought it in
20 Hawaii.

21 MR. KHODOROVSKY: And do you have--do
22 you have that wine in your possession now?

23 MR. LIMA: No, I drank it.

24 MR. KHODOROVSKY: Maybe--maybe this will
25 help you remember. It says on the statement,

1
2 as you are looking at it right now, it says
3 put some miles on Alaska Airlines. Did you
4 fly to Hawaii on Alaska Airlines?

5 MR. LIMA: Yes, I think I did. I think
6 I did.

7 MR. KHODOROVSKY: I just--I was thinking
8 maybe that would help you remember.

9 MR. LIMA: Where does it say that?

10 MR. KHODOROVSKY: You see there below--
11 Alaska Airlines credit card rewards?

12 MR. LIMA: Yeah.

13 MR. KHODOROVSKY: Do you see it adds
14 miles--to the credit card?

15 MR. LIMA: Okay, yes.

16 MR. KHODOROVSKY: So, my point being
17 that's what I was trying to help you
18 remember.

19 MR. LIMA: That's Hawaii? That must be
20 Hawaii--that's Hawaii then.

21 MR. KHODOROVSKY: Okay. Okay, let's--
22 let's flip to the next page. Actually, it's
23 double sided, so this page. Do you see
24 there, again, we are staying on this
25 statement for December 2007, for the same

card?

MR. LIMA: Yes.

MR. KHODOROVSKY: Do you see that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. I want to ask you about one transaction listed here. You see there a charge for November 20th of '07, for \$177.32 at Thomas Cantonese and Company, in Plymouth? Do you see that transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make that transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: To the best of your recollection, what was it for?

MR. LIMA: That's a food expense, a restaurant expense.

MR. KHODOROVSKY: Okay. Let's flip to the next page, the one you're looking at. You see that this is a January 2008 statement for Visa Signature Card, last four digits being 0581?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. I want do ask

1
2 you about a couple of transactions here. At
3 the very bottom, do you see there a
4 transaction for \$90.04 on December 28th, '08;
5 it says Weisberger S7S Heartland, Wisconsin.
6 Do you see that transaction?

7 MR. LIMA: Yes.

8 MR. KHODOROVSKY: Did you make that
9 transaction?

10 MR. LIMA: Yes.

11 MR. KHODOROVSKY: What was it for, to
12 the best of your recollection?

13 MR. LIMA: This was--I'm pretty--I had
14 went--I went to see my parents.

15 MR. KHODOROVSKY: In Wisconsin?

16 MR. LIMA: In--who--yeah, in Wisconsin.
17 And that is most likely a lunch.

18 MR. KHODOROVSKY: Like at a restaurant?

19 MR. LIMA: A brunch at a restaurant.

20 MR. KHODOROVSKY: Okay.

21 MR. LIMA: Yes, and I'm sorry; I
22 apologize, I don't remember the name of that
23 restaurant. It wasn't Wiesenberger Steven
24 though.

25 MR. KHODOROVSKY: It says Weingarten's

Seven--

MR. LIMA: (Interposing) Whatever that--
it wasn't something--it wasn't that.

MR. KHODOROVSKY: Okay. Let's--let's
flip to the next page. We're still on the
Visa Signature Card. I'm going to ask you
about a couple of transactions on this page.
Do you see there an Alaska Airlines mileage
fund Visa Signature Card, last four digits of
the account now being 5261? Do you see that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. I want to ask
you about some of these transactions here.
The third transaction, from the top, on the
line it says purchases and adjustments, do
you see a transaction there on January 7th,
'08, transaction date, for the Leather
Collection,--

MR. LIMA: (Interposing) I do.

MR. KHODOROVSKY: -in North Carolina,
for \$200.51?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make that
transaction?

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2

MR. LIMA: Yes.

3

MR. KHODOROVSKY: What was it for?

4

5

MR. LIMA: That was for product for a client.

6

7

MR. KHODOROVSKY: Are you in possession of that product now?

8

MR. LIMA: No.

9

10

11

MR. KHODOROVSKY: Has then--you would say the client is in possession of the product?

12

MR. LIMA: Yes.

13

14

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16

MR. KHODOROVSKY: Okay. What's--let's move down a little bit. Do you see there a transaction on January 8th, '08, for \$222.08 at SKS Bottle and Package?

17

18

MR. LIMA: Is that--say that again, I'm sorry.

19

20

21

MR. KHODOROVSKY: SKS Bottle and Package, transaction date January 8th, '08, the charge is \$222.08.

22

MR. LIMA: Yes.

23

MR. KHODOROVSKY: Do you see that?

24

MR. LIMA: Yes.

25

MR. KHODOROVSKY: Okay. And to the best

1
2 of your recollection, did you make this
3 transaction?

4 MR. LIMA: Yes.

5 MR. KHODOROVSKY: And what was it for?

6 MR. LIMA: This is for bottles for my
7 boyfriend's company.

8 MR. KHODOROVSKY: What kind of bottles?

9 MR. LIMA: This--he started a skin care
10 company.

11 MR. KHODOROVSKY: Mm hmm.

12 MR. LIMA: And he was--basically, he--I
13 helped him out with making the little oils
14 and things and we put them in the bottles and
15 we sold them--or he sold them. I had nothing
16 to do with the company, but um he sold--I
17 think this might have been--I have to be
18 honest, I don't remember if it was for
19 samples or for the product bottles, probably
20 the product bottles. For his--

21 MR. KHODOROVSKY: (Interposing) What was
22 the name of that company?

23 MR. LIMA: Argonne--Argonne Body.

24 MR. KHODOROVSKY: I apologize; I'm going
25 to ask you,--I apologize, I'm going to ask

1
2 you to spell it. Argonne, how do you--

3 MR. LIMA: A-R-G-A-N.

4 MR. KHODOROVSKY: Body--two words?

5 MR. LIMA: Yes.

6 MR. KHODOROVSKY: Is that an Inc. or an
7 LLC, or--to the best of your knowledge?

8 MR. LIMA: LLC, I think.

9 MR. KHODOROVSKY: And A-R-G-A-N, right?

10 MR. LIMA: Yes.

11 MR. KHODOROVSKY: And do you have any
12 interest, stock ownership interest in this
13 company?

14 MR. LIMA: No.

15 MR. KHODOROVSKY: And do you receive any
16 income from this company?

17 MR. LIMA: No.

18 MR. KHODOROVSKY: And would you say your
19 boyfriend is, I guess the--the sole owner of
20 the company?

21 MR. LIMA: Yes.

22 MR. KHODOROVSKY: Okay. Staying on the
23 same credit card statement, look--if you
24 could look below the transaction we were just
25 talking about, do you see there is a charge

1
2 for--well, I'll give it in foreign and
3 American currency--18,700 U Israeli shekels,
4 and \$4,941.87 American dollars--

5 MR. LIMA: (Interposing) Mm hmm.

6 MR. KHODOROVSKY: -on January 8th, '08,
7 do you see that transaction?

8 MR. LIMA: Yes.

9 MR. KHODOROVSKY: It says - - or Akiva,
10 Israel.

11 MR. LIMA: Yes.

12 MR. KHODOROVSKY: Did you make this
13 transaction?

14 MR. LIMA: Yes, I did.

15 MR. KHODOROVSKY: What was it for?

16 MR. LIMA: That's for the product for
17 his company.

18 MR. KHODOROVSKY: This--this was a skin
19 care product?

20 MR. LIMA: Yes.

21 MR. KHODOROVSKY: Can you--

22 MR. LIMA: (Interposing) That was the
23 product that was um his Dead Sea shower gel
24 and things like that.

25 MR. KHODOROVSKY: Did--did--did he and

1
2 you go to Israel to get the product?

3 MR. LIMA: No, he uh, he bought this
4 from a manufacturer there that he found, just
5 sourcing through, you know various wholesale.

6 MR. KHODOROVSKY: So, he just--so--so it
7 was just bought directly from Israel?

8 MR. LIMA: Yes.

9 MR. KHODOROVSKY: Okay.

10 MR. LIMA: That was the product that one
11 of the products that Argan Body sold.

12 MR. KHODOROVSKY: Is Argan Body still
13 around, as a company?

14 MR. LIMA: No.

15 MR. KHODOROVSKY: When--when did it stop
16 doing business? If you know?

17 MR. LIMA: I don't remember. I don't
18 remember. I may not even know. I don't
19 remember.

20 MR. KHODOROVSKY: If you don't know, say
21 don't know.

22 MR. LIMA: I don't know. I don't know.

23 MR. KHODOROVSKY: Okay. Is--is this
24 product currently in your possession now?

25 MR. LIMA: No.

1
2 MR. KHODOROVSKY: Was this--all of this
3 product, from Israel, was it all sold?

4 MR. LIMA: No.

5 MR. KHODOROVSKY: Who has the product,
6 to the best of your knowledge?

7 MR. LIMA: The product--when the
8 company--I don't know if--he decided not to
9 keep this company, not to keep going with
10 this.

11 MR. KHODOROVSKY: Mm hmm.

12 MR. LIMA: So, he had left over product.
13 So, he donated it to a charitable
14 organization.

15 MR. KHODOROVSKY: It was donated--when
16 did it happen?

17 MR. LIMA: But this might--

18 MR. KHODOROVSKY: (Interposing) When was
19 it donated?

20 MR. LIMA: I don't remember. This might
21 be--there were various purchases for that
22 company, and I don't remember--I don't know
23 if they were all on my cards or his. But
24 this might have been the start up, because
25 the bottles we--we stopped doing that, after

1
2 a while, with the bottles. I think we had
3 Israel bottle them directly. So, this might
4 be like one of the first inventories that he
5 did.

6 MR. KHODOROVSKY: So the product would
7 be shipped to the clients direct from Israel?

8 MR. LIMA: No, it was shipped to him.

9 MR. KHODOROVSKY: So, it was shipped
10 from Israel directly to him.

11 MR. LIMA: Yes.

12 MR. KHODOROVSKY: And then he sold it to
13 clients?

14 MR. LIMA: Yes. Uh huh.

15 MR. KHODOROVSKY: I understand.

16 MR. LIMA: So, I just don't know if this
17 is like the stuff that he donated, or if this
18 was all sold.

19 MR. KHODOROVSKY: But would you say
20 it's--would you say, to the best of your
21 knowledge, this Israeli product, is it still
22 in his possession?

23 MR. LIMA: No. No.

24 MR. KHODOROVSKY: Okay. Let's flip the
25 page to the--to the next page, this page.

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MR. LIMA: Okay.

MR. KHODOROVSKY: Thank you. You see there--and we are looking at the February 2008 statement for you from Alaska Airlines Mileage Plan, last four digits of the account number being 5261. Do you see that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay, great. Do you see there a charge on that page--and maybe our copy and your attorney's copy - - cut off. It says assagewarehouse.com for \$111.09 on January 24th, '08, do you see that transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make that transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was it for?

MR. LIMA: That was related to Peter's company. I don't know exactly what that was for, but Peter would make--

MR. KHODOROVSKY: (Interposing) - - product?

MR. LIMA: Peter would make some of

these charges. He would ask me, but he would make some of these charges, and we shared a bank account, so some--he would always just let me know.

MR. KHODOROVSKY: But would this--would this be product?

MR. LIMA: This would be--this would be product, I'm--

MR. KHODOROVSKY: (Interposing) And are you in possession of this product now?

MR. LIMA: No.

MR. KHODOROVSKY: Let's move to the next page. We are looking again at your Visa Signature Card, last four digits of the account being 5261.

MR. LIMA: Okay.

MR. KHODOROVSKY: The statement being for June 2008. I have a question about one transaction on this page. Do you see a charge there for May 9th, '08, for \$195.00 to the New York City Criminal Court?

MR. LIMA: Yeah--yes.

MR. KHODOROVSKY: Did you make this transaction?

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MR. LIMA: Yes.

MR. KHODOROVSKY: What was it for?

MR. LIMA: That was for a ticket, a driving ticket that I received.

MR. KHODOROVSKY: A parking ticket?

MR. LIMA: No. I was uh--I was like careless driving or something like that.

MR. KHODOROVSKY: Did you get into an accident?

MR. LIMA: No, I didn't get into an accident. I took a left turn really fast.

MR. KHODOROVSKY: You speeded?

MR. LIMA: Yeah, I speeded.

MR. KHODOROVSKY: So, it was a speeding ticket?

MR. LIMA: It was a speeding ticket, essentially, yeah.

MR. KHODOROVSKY: Okay. Okay, well, let's move to the next page. I'm going to try to get through these as fast as I can. Let's--do you see as you're looking at the, again, the Visa Signature card Alaska Airlines, last four digits of the account number being 5261, for January 2009, do you

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see that statement?

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MR. LIMA: Yes.

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MR. KHODOROVSKY: Okay. I want to ask you about a couple of the transactions on this page. Do you see there listed a--I apologize--do you see there listed, on the top line, the transaction for--made on transaction date of December 16th, '08, for \$175.00 at ChampionUSA.com?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: Do you know what it is for?

MR. LIMA: Those are gifts for the holidays.

MR. KHODOROVSKY: Christmas gifts?

MR. LIMA: Yes, Christmas gifts.

MR. KHODOROVSKY: Okay. And those gifts--are any of them in your current possession?

MR. LIMA: No.

MR. KHODOROVSKY: Okay. Let's go down a

1
2 little bit. Do you see there a transaction,
3 lower on the page, for December 18th, '08,
4 for \$255.22 at Banana Republic online?

5 MR. LIMA: Yes.

6 MR. KHODOROVSKY: Okay. Did you make
7 this transaction?

8 MR. LIMA: Yes.

9 MR. KHODOROVSKY: What was it for?

10 MR. LIMA: Christmas presents.

11 MR. KHODOROVSKY: And any of those items
12 still in your possession?

13 MR. LIMA: No. Gifts to other people.

14 MR. KHODOROVSKY: I understand. Okay.
15 Let's--let's flip the page. We are now done
16 with that--with that particular credit card.
17 Okay. Do you see that I'm showing you now
18 the--an American Express card--an American
19 Express open card, last four digits of the
20 account number being 1007. The statement has
21 a closing date of January 1st, '08, for Pedro
22 Lima, Pedro Lima Design.

23 MR. LIMA: Yes.

24 MR. KHODOROVSKY: Let me ask you this
25 question first. Are you familiar with an

1
2 address of 41 Marble Hill Avenue, F Bronx,
3 New York?

4 MR. LIMA: Yeah, that's--that's my
5 former address.

6 MR. KHODOROVSKY: And when did you move
7 to your current address?

8 MR. LIMA: It was about--it was about
9 two--I'm trying to remember when I renewed
10 my--it was--it was over two years ago.

11 MR. KHODOROVSKY: Okay. No, that's
12 fine. I do want to ask you a couple of
13 questions about some things on this
14 statement. Do you see here a transaction for
15 December 6, '07, \$104.85 at Palmercash.com in
16 Boise, Idaho?

17 MR. LIMA: Yes.

18 MR. KHODOROVSKY: Did you make this
19 transaction?

20 MR. LIMA: Yes.

21 MR. KHODOROVSKY: What was it for?

22 MR. LIMA: This is Christmas presents,
23 again.

24 MR. KHODOROVSKY: What kind of items are
25 these?

MR. LIMA: These are t-shirts. These are t-shirts with little slogans on them. So, they are kind of just humorous t-shirts.

MR. KHODOROVSKY: Okay. That's fine. Are you currently in possession of those items?

MR. LIMA: No.

MR. KHODOROVSKY: Okay. Let's flip the page. Okay, we're going to try to go over these fast. Again, do you see that you are looking at the, again American Express Open card, last four digits of the account number being 1007, for a statement closing date being March 3rd of '09. Do you see that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Do you see on that page a transaction for February 2nd, '09, for \$2,395.00 for Ocean Prime LLC?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: I did.

MR. KHODOROVSKY: Do you know what it is for?

1
2 MR. LIMA: This is my rent for my
3 apartment.

4 MR. KHODOROVSKY: And Ocean Prime is
5 your landlord?

6 MR. LIMA: Yes, Ocean Prime is the
7 landlord.

8 MR. KHODOROVSKY: The reason I'm asking
9 you this question is because you see the card
10 describes it as business service.

11 MR. LIMA: Yes.

12 MR. KHODOROVSKY: That's--so that's what
13 I was trying to figure out what it was.

14 MR. LIMA: I--I would interchange them,
15 depending on my situation, - - .

16 MR. KHODOROVSKY: (Interposing) No, no,
17 I understand. Again, let's flip the page.
18 Let's flip the page again. No, no, flip the
19 page--keep flipping.

20 MR. LIMA: Keep going?

21 MR. KHODOROVSKY: Yes, keep going, I'll
22 tell you when to stop. Hold on, I'm sorry.
23 I'm sorry, you were there, I apologize.
24 Actually, hold on. I'm sorry--yes, no, no,
25 let's flip the page to the next page. I'll

show you--I'll show you where I want you to be.

MR. LIMA: Okay.

MR. KHODOROVSKY: Let me just direct you. I apologize. Here's where I want you to be.

MR. LIMA: Thank you.

MR. KHODOROVSKY: Do you see--do you see that I'm showing you an American Express credit card statement, last four digits of the account being 2004 with a closing date of March 16th, '07? Let me show you, right there. Do you see that?

MR. LIMA: Yes. I'm sorry.

MR. KHODOROVSKY: Okay. I'm going to ask you about some transactions on this page here. Do you see here a transaction for \$2,871.40 at Hardwire Designs of Fairfield, New Jersey, on February 22nd--on February 21st, 2007? Do you see that transaction?

MR. LIMA: Yes, I did--

MR. KHODOROVSKY: (Interposing) Did you make this transaction?

MR. LIMA: -make that transaction.

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MR. KHODOROVSKY: And what was it for?

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MR. LIMA: That is for product. That's the cost of the goods sold for Pedro Lima Design.

5

6

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MR. KHODOROVSKY: And are you currently in possession of this product?

8

MR. LIMA: No.

9

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MR. KHODOROVSKY: And you resold it all to your clients?

11

MR. LIMA: I did.

12

13

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MR. KHODOROVSKY: Okay. Let's take a look at the bottom, the last transaction here, do you see a transaction for March 8th, '07 for \$246.52--

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16

MR. LIMA: (Interposing) Yes.

17

18

MR. KHODOROVSKY: -at the Home Depot in Long Island?

19

MR. LIMA: Yes.

20

21

MR. KHODOROVSKY: Did you make this transaction?

22

MR. LIMA: I did.

23

MR. KHODOROVSKY: What did you buy?

24

25

MR. LIMA: As well, this is the cost of goods for a--for a client I was redoing their

1
2 master bathroom and actually their house. I
3 was--

4 MR. KHODOROVSKY: (Interposing) And are
5 you currently in possession of this product?

6 MR. LIMA: No.

7 MR. KHODOROVSKY: Okay. In the middle
8 here, do you see a transaction for \$322.63
9 for March 3rd, '07 at--I'm going to probably
10 mangle it, Lia Khali (phonetic) Hair Salon?

11 MR. LIMA: Yes.

12 MR. KHODOROVSKY: Did you make this
13 transaction?

14 MR. LIMA: Yes.

15 MR. KHODOROVSKY: What was it for?

16 MR. LIMA: This is for my hair color. I
17 used to have really very long hair, down my
18 back, and so I had--I tried to cut it
19 infrequently, but I would get it colored and
20 cut and--and do it - - .

21 MR. KHODOROVSKY: How do you pronounce
22 the name of the salon?

23 MR. LIMA: I think it was Lei Kali.

24 MR. KHODOROVSKY: Okay. I just--

25 MR. LIMA: (Interposing) Lai Kali.

MR. KHODOROVSKY: I said I'd mangle it. Okay. Can you flip the page? Actually, can you flip the page again?

MR. LIMA: Mm hmm.

MR. KHODOROVSKY: Okay. Do you see there we are on, where it says page three of eight, for American Express statement, last four digits being 2004, April 16t, '07? Do you see there--are you on page three of eight?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay, great. Great, okay. I'm going to ask you about a couple of transactions here. Do you see here listed a transaction for \$78.00 on March 23rd, '07 at Topper Weans of Allerton, Texas?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: I did, yes.

MR. KHODOROVSKY: And what was it for?

MR. LIMA: This is for cost of goods. This is a foliage company. They sell fake plants basically. This is--

MR. KHODOROVSKY: (Interposing) Like plastic plants?

MR. LIMA: Yeah. Nice--nice ones, but yeah, they sell trees--

MR. KHODOROVSKY: (Interposing) Are you currently in possession of this product?

MR. LIMA: No.

MR. KHODOROVSKY: You resold it all to your clients?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Okay. Let's move on. If you can, flip the page. Actually--sorry, before we flip the page, the very last line here, do you see on April 16th, '07, a transaction for \$853.99--

MR. LIMA: (Interposing) Mm hmm.

MR. KHODOROVSKY: -to Turin Bank of Salt Lake City, Utah?

MR. LIMA: Yes.

MR. KHODOROVSKY: What is that?

MR. LIMA: That is--that's a credit card payment. I'm pretty sure it was a credit card payment. Those were--

MR. KHODOROVSKY: (Interposing) So you

used one card to pay for another card?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Let's--let's--let's move on to the next page. Do you see here, I'm showing you what is page five of eight, closing date May 16th, '07, for the American Express Card for Pedro Lima, Pedro Lima Design, last four digits of the account number being 2004?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. I want to ask you about some questions on this--on this. Do you see the very top transaction here, for \$442.00 from a Henry Callan Fabrics of Medford, Oregon?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was it for?

MR. LIMA: This is cost of goods. Is that a--should I just say cost of goods, or do you want me to - - ?

MR. KHODOROVSKY: If you can just say

product of what you bought or--

MR. LIMA: (Interposing) This is
textiles for a client's product.

MR. KHODOROVSKY: Okay.

MR. LIMA: Fabric to cover the chairs or
whatever that was.

MR. KHODOROVSKY: Okay. And do you
currently own the product?

MR. LIMA: No. No.

MR. KHODOROVSKY: Okay. And your client
would be in possession of it?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Next--next
line, April 25th, '07, \$432.50--\$432.50,
Darna in Tempe, Arizona Furniture. Did you
make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was it for?

MR. LIMA: This is again cost of goods,
product for a client. It's a bathroom
vanity.

MR. KHODOROVSKY: And your client would
be in possession of it?

MR. LIMA: They are--yes, they are.

1
2 MR. KHODOROVSKY: Okay. April 27th, '07,
3 do you see it there? Jessed Gold Interior in
4 Corona, California, for \$2,276.00, do you see
5 that transaction?

6 MR. LIMA: Yes.

7 MR. KHODOROVSKY: Did you make this
8 transaction?

9 MR. LIMA: Yes.

10 MR. KHODOROVSKY: What was it for?

11 MR. LIMA: Those are draperies that I
12 made for--that were made for a client, again
13 cost of goods.

14 MR. KHODOROVSKY: And your client is
15 currently in possession of them?

16 MR. LIMA: Yes.

17 MR. KHODOROVSKY: Okay. The very last
18 transaction on this page, May 11th, '07,
19 \$627.86 at the Artistic - - Paramus, New
20 Jersey, do you see that?

21 MR. LIMA: Yes.

22 MR. KHODOROVSKY: Did you make this
23 transaction?

24 MR. LIMA: Yes.

25 MR. KHODOROVSKY: What was it for?

1
2 MR. LIMA: That is as well, cost of
3 goods for tiles and flooring for a client's
4 project and they are in possession of it, as
5 well.

6 MR. KHODOROVSKY: Okay. Let's flip the
7 page. We are on page five of eight, for the
8 credit card for Pedro E. Lima, last four
9 digits of the account number being 2004,
10 closing date June 17th, '07, American
11 Express. Do you see it? Are we on that
12 page?

13 MR. LIMA: Yes.

14 MR. KHODOROVSKY: Okay, great. You see
15 there some transactions on your card for
16 somebody Peter T. Biertzer. Who is Peter T.
17 Biertzer?

18 MR. LIMA: That's my boyfriend.

19 MR. KHODOROVSKY: Okay. And did you
20 share this card?

21 MR. LIMA: Yes. Yeah, he had a card--he
22 was authorized to make transactions on this
23 card.

24 MR. KHODOROVSKY: And who would make
25 payments for these transactions?

MR. LIMA: I made the payments, but he--

MR. KHODOROVSKY: (Interposing) Did he make any payments on it?

MR. LIMA: He did.

MR. KHODOROVSKY: Okay. These are obviously transactions he made, but to the extent you know, I'm going to ask you about them. If you don't know, you can answer that you don't know. You see there a transaction on May 18th, '07, CDW Government, Inc. of Vernon Hills, Illinois, for \$525.74?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you--did--do you know what this transaction is about?

MR. LIMA: Yes.

MR. KHODOROVSKY: What is it about?

MR. LIMA: This is for a computer for my--for my office, for me.

MR. KHODOROVSKY: Are you still in possession of that computer?

MR. LIMA: Yes, I am.

MR. KHODOROVSKY: Okay. And right below that, do you see a transaction on May 25th, '07, HP Home Store for \$428.06?

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MR. LIMA: Yes.

MR. KHODOROVSKY: Do you know what that is for? Again, if you don't know, you can answer that.

MR. LIMA: I don't know.

MR. KHODOROVSKY: Okay.

MR. LIMA: I don't know what it's for.

MR. KHODOROVSKY: Okay. Let's go down to the last line on--on this page here. May 31st, '07, transaction for \$277.20, the Chief New York. Do you see that transaction?

MR. LIMA: Yeah, I do, yes.

MR. KHODOROVSKY: Do you know what it's about?

MR. LIMA: That's--that's--it's--it says for internet marketing. I think--I don't think that was for my business. I think that was Argan Body, that Peter used the card to pay for--whatever, pay per click or search engine optimization, for Argan Body.

MR. KHODOROVSKY: Okay. I understand. Can you flip the page?

MR. LIMA: Sure.

MR. KHODOROVSKY: I'm going to ask you

1
2 about a couple of transactions on this page.
3 Do you see here a--the credit card statement
4 for the card with the last four digits being
5 2004, closing date July 16th, '07, page three
6 of eight?

7 MR. LIMA: Yes.

8 MR. KHODOROVSKY: Okay. Take a look at
9 the fifth transaction from the top, a July
10 5th, '07, \$116.19 at Johnny Versace. Do you
11 know what this transaction is about?

12 MR. LIMA: Yes.

13 MR. KHODOROVSKY: What is this?

14 MR. LIMA: That is clothing for myself.

15 MR. KHODOROVSKY: Are you currently in
16 possession of it?

17 MR. LIMA: Yes.

18 MR. KHODOROVSKY: Okay. Next--next
19 transaction, the line after that, July 5th,
20 '07, Wilson's Leather in Central Valley New
21 York, \$148.56, did you make this transaction?

22 MR. LIMA: Yes.

23 MR. KHODOROVSKY: What did you buy?

24 MR. LIMA: That was a piece of luggage
25 for myself.

MR. KHODOROVSKY: Are you currently in possession of that piece of luggage?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Again, if you don't know an answer, to the question, you can answer--

MR. LIMA: (Interposing) I don't remember if that one--I don't remember, but I'm going to say yes, because I do have a few pieces. So, it is probably one of the ones that I still have.

MR. KHODOROVSKY: Okay.

MR. LIMA: So, I'm going to say yes.

MR. KHODOROVSKY: Let's--let's--let's flip the page. Do you see it says page five of eight, at the top?

MR. LIMA: Yes.

MR. KHODOROVSKY: Flip the page again.

MR. LIMA: Okay.

MR. KHODOROVSKY: Okay. Do you see where it says page three of six?

MR. LIMA: Yes.

MR. KHODOROVSKY: On the top? Just stop there. We are on the American Express credit

1
2 card statement of Pedro E. Lima, Pedro Lima
3 Design, last four digits of the account
4 number being 2004, closing date October 16th,
5 '07. Do you see there a--a transaction, the
6 next to the last transaction for you, before
7 Mr. Biertzer, for \$196.98, at Down, Inc. of
8 Grand Rapids, Michigan?

9 MR. LIMA: Yes.

10 MR. KHODOROVSKY: Did you make this
11 transaction?

12 MR. LIMA: Yes.

13 MR. KHODOROVSKY: Do you know what this
14 transaction is for?

15 MR. LIMA: This is cost of goods sold
16 for a client--bedding, essentially--pillows
17 and--

18 MR. KHODOROVSKY: (Interposing) Bedding?

19 MR. LIMA: -bedspreads, yeah, for his
20 apartment.

21 MR. KHODOROVSKY: And are you currently
22 in possession of this product?

23 MR. LIMA: No, he--no.

24 MR. KHODOROVSKY: The client is in
25 possession of it?

1
2 MR. LIMA: The client is in possession,
3 yes.

4 MR. KHODOROVSKY: Okay. Let's flip the
5 page. Let's flip the page again. Do you see
6 there where it says closing date May 18th,
7 '08, on top?

8 MR. LIMA: Yes.

9 MR. KHODOROVSKY: Let's flip the page
10 again. Okay, stop where it says page of
11 eight at the top.

12 MR. LIMA: Okay.

13 MR. KHODOROVSKY: Okay, good. We are
14 looking at the, again the American Express
15 card, last four digits of the account number
16 being 2004, closing date June 17th, '08.
17 Let's look for transactions for you, at the
18 bottom of the page. Do you see there a
19 transaction for \$1,314.14 on May 29th, 2008
20 at the Robert Allen in Massachusetts?

21 MR. LIMA: What is the--thirteen
22 thousand--the one \$1,314.00?

23 MR. KHODOROVSKY: \$1,314. 14.

24 MR. LIMA: Yes.

25 MR. KHODOROVSKY: Next to last, at the

Robert Allen, do you see that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes. This is a cost of goods sold for a client and they--they are in possession of that product.

MR. KHODOROVSKY: Okay, the client is in possession?

MR. LIMA: Yes.

MR. KHODOROVSKY: What kind of product was it?

MR. LIMA: A fabric.

MR. KHODOROVSKY: Okay. The last transaction on this page, do you see there a charge on June 6, '08, \$561.18 for--for Air Canada in Calgary?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was it for?

MR. LIMA: This was a conference that I went to for ASID.

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MR. KHODOROVSKY: In--in Canada?

3

MR. LIMA: In Canada.

4

5

MR. KHODOROVSKY: Were you reimbursed for this trip?

6

7

MR. LIMA: I was reimbursed in full for that, yes.

8

9

MR. KHODOROVSKY: You were reimbursed, in full, for the \$561.00 ticket?

10

MR. LIMA: Yes, uh huh.

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MR. KHODOROVSKY: Okay. Can you flip the page please? We are--we are on page three of six, statement for the closing date of August 17th, '08 for American Express card for Pedro Lima, Pedro Lima Design, last four digits of the account number being 2004. Do you see there a charge, on that page, second line, of \$600.00 Canadian dollars, for Hyatt Regency in Calgary, Alberta?

20

MR. LIMA: Yes.

21

22

MR. KHODOROVSKY: Did you make this transaction?

23

MR. LIMA: Yes.

24

MR. KHODOROVSKY: What was it for?

25

MR. LIMA: This is the hotel room for

1
2 the trip to Calgary for ASID. And again, I
3 was reimbursed the \$601.65.

4 MR. KHODOROVSKY: Okay. Let's--let's
5 look to the very bottom here. You see here a
6 transaction on August 15th, '08, for \$25.00
7 on Craig's List?

8 MR. LIMA: Craig's List? Okay.

9 MR. KHODOROVSKY: And what was it for?

10 MR. LIMA: - - .

11 MR. KHODOROVSKY: If you don't remember,
12 then you can just say--

13 MR. LIMA: (Interposing) No, I might. I
14 might. I want to make sure. This is for a
15 job posting that I placed for Pedro Lima
16 Design.

17 MR. KHODOROVSKY: So, you would hire
18 employees from Craig's List?

19 MR. LIMA: Yes, I--I did.

20 MR. KHODOROVSKY: Okay. I understand.
21 Staying on the same page, do you see up top
22 there, just keep moving up, do you see there
23 a charge on August 10th, '08 for \$230.30 at
24 Paper Presentation, in New York?

25 MR. LIMA: Yes.

1
2 MR. KHODOROVSKY: Did you make this
3 transaction?

4 MR. LIMA: Yes.

5 MR. KHODOROVSKY: What is that for?

6 MR. LIMA: It is for--this is for Argan
7 Body. This was for--wait, no. This was for;
8 I'm sorry; this one was for a--essentially
9 for marketing and advertising for Pedro Lima
10 Design. I had created a gift bag, for the
11 Grammys, so and I got--made certificates for
12 myself and put them in the gift--

13 MR. KHODOROVSKY: (Interposing) So, you
14 gave out gift bags at the Grammy Awards?

15 MR. LIMA: It was--it wasn't the awards.
16 It was the Grammy, it was Andre Agostine, it
17 was an event that was sponsored by the
18 Grammys in Long Island. And so, I made--

19 MR. KHODOROVSKY: (Interposing)
20 Involving Andre Agostine?

21 MR. LIMA: Yes.

22 MR. KHODOROVSKY: And you made gift bags
23 for that event?

24 MR. LIMA: I just--I just put a gift
25 certificate into the--

1
2 MR. KHODOROVSKY: (Interposing) Into the
3 gift bags?

4 MR. LIMA: -gift bags, so this was just
5 the cost of the--

6 MR. KHODOROVSKY: (Interposing) Okay.
7 So, Andre Agostine got your certificate?

8 MR. LIMA: He got my certificate, yes.

9 MR. KHODOROVSKY: Okay.

10 MR. LIMA: But he didn't call me.

11 MR. KHODOROVSKY: Okay. Okay, and I
12 understand. Let's--let's flip the page. I
13 apologize. We are on--do you see we are on
14 page three of five for the same credit card,
15 the last four digits of the account being
16 2004, statement with a closing date of
17 September 16th, '08?

18 MR. LIMA: Yes.

19 MR. KHODOROVSKY: Do you see there a
20 charge for--on August 26th, '08, for
21 \$1,273.60 for American Century in North
22 Carolina?

23 MR. LIMA: Yes.

24 MR. KHODOROVSKY: What is that for?
25 Well, first of all, did you make this

transaction?

MR. LIMA: Yeah--yes.

MR. KHODOROVSKY: And what was it for,
if you remember?

MR. LIMA: American Century--

MR. KHODOROVSKY: (Interposing) If it
helps you, it says - - furniture home store.

MR. LIMA: I know. I bought a sofa at
one point. I know it wasn't American--I
don't remember doing business with a company
called American Century. But, this is--this
is cost of goods sold. I bought a sofa, it
wasn't--

MR. KHODOROVSKY: (Interposing) Was it
for you or was it for a client?

MR. LIMA: I bought a sofa for myself,
that's one of the only things that I bought
for myself. So, I'm assuming this is for a
client, for a product that they are in
possession of.

MR. KHODOROVSKY: You assume, but you--
you--

MR. LIMA: (Interposing) I don't--I
don't know for sure.

MR. KHODOROVSKY: Okay.

MR. LIMA: I'm sorry; I don't remember.

MR. KHODOROVSKY: No, I understand. I understand. That's fine. Let me ask you, briefly, about a transaction right above it. It says August 25th, '08, Yahoo, Pedro Lima DS \$11.95. Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was that for?

MR. LIMA: This is for my--the website and e-mail--I think it was a maintenance fee for that website.

MR. KHODOROVSKY: They maintained the yahoo and they maintain your--your corporate e-mail address?

MR. LIMA: Yes.

MR. KHODOROVSKY: I understand. Let's--let's flip the page. Okay. Do you see we are here on a statement with a closing date of January 29th, '09, for the same credit card, last four digits being 2004?

MR. LIMA: Yes.

MR. KHODOROVSKY: Where it says page three of eight, do you see that?

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MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Do you see there a transaction on January 1st, '09, at the Apple Computer, Inc. in New York, New York for \$480.97? Middle of the page.

MR. LIMA: I'm sorry; Apple Computer--

MR. KHODOROVSKY: (Interposing) Inc.

MR. LIMA: \$480.00, okay, yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: I did.

MR. KHODOROVSKY: What--what is this transaction for?

MR. LIMA: This is for--this is for my computer, my personal computer. I use it for business. I use it for everything myself.

MR. KHODOROVSKY: Is this a computer that you bought?

MR. LIMA: This is a computer--no, it's not a computer, because I think it was more than that, unless, I don't remember. It's related to the computer; whether it was a program or a--something that I needed for it, I don't remember. But this is--

MR. KHODOROVSKY: (Interposing) Are you currently in possession of that item?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. On the same page, let's move up a little bit. You see a transaction there for \$357.47 at a company called, I'm probably going to mispronounce its name,--

MR. LIMA: (Interposing) Dyks.

MR. KHODOROVSKY: -D-Y-K-S, Dyks--

MR. LIMA: Dyks Lumber.

MR. KHODOROVSKY: In Tolman--in Tolman, New York, construction material. Do you see that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What did you buy?

MR. LIMA: This is cost of goods for a client.

MR. KHODOROVSKY: You bought lumber for a client?

MR. LIMA: Millwork, yeah, moldings, I

1
2 think it was the moldings--either baseboard
3 or the crown molding, that I purchased for
4 them. They are in possession of it.

5 MR. KHODOROVSKY: Okay. Let's--let's
6 flip the page. Okay, we are on the same
7 credit card, last four digits of the account
8 number being 2004, closing date being April
9 30th, '09. Do you see that, on this page, a
10 transaction for \$140.00 for you at American
11 Apparel on April 17th, '09?

12 MR. LIMA: Yes.

13 MR. KHODOROVSKY: Did you make this
14 transaction?

15 MR. LIMA: Yes.

16 MR. KHODOROVSKY: What did you buy?

17 MR. LIMA: This is for clothing.

18 MR. KHODOROVSKY: For you personally?

19 MR. LIMA: Partially for me, partially--
20 I don't know if you would call it a gift or--
21 this was for my employee--

22 MR. KHODOROVSKY: (Interposing) For an
23 employee?

24 MR. LIMA: -some of the--two of these
25 things--one of the--maybe the solid--I don't

remember if it's the solid rib vest and the headband was for him.

MR. KHODOROVSKY: Okay.

MR. LIMA: As like a--

MR. KHODOROVSKY: (Interposing) As a gift?

MR. LIMA: As an--as a gift, yes.

MR. KHODOROVSKY: Okay. And the clothing that you bought for yourself, are you in possession of it?

MR. LIMA: Yeah, yes.

MR. KHODOROVSKY: Okay. By the way-- actually switching gears, are there any unpaid wages that Pedro Lima Design or Urban Stone would owe to any employees?

MR. LIMA: No.

MR. KHODOROVSKY: Okay, let's flip the page. Okay. We're looking at the, again American Express credit card statement closing date June 30th, '09, last four digits of the account number being 2004, page three of eight. Do you see that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Are you there? Okay,

1
2 great. I want to ask you, do you see the top
3 most transaction there?

4 MR. LIMA: Mm hmm.

5 MR. KHODOROVSKY: Broadway Fabrics in
6 New York on June 3rd of '09 for \$200.00?

7 MR. LIMA: Yes.

8 MR. KHODOROVSKY: Did you make this
9 transaction?

10 MR. LIMA: Yes.

11 MR. KHODOROVSKY: It says it's a sewing
12 machine. Did you buy a sewing machine?

13 MR. LIMA: No. This is for; again this
14 is cost of goods sold. This is fabric for a
15 client for draperies.

16 MR. KHODOROVSKY: Mm hmm.

17 MR. LIMA: And they also made the
18 draperies. So, that may be why they say
19 sewing machine, because it might be workroom
20 labor.

21 MR. KHODOROVSKY: And they--so you--so
22 you don't have your own sewing machine?

23 MR. LIMA: No, I don't own a sewing
24 machine. That's not a--that's a--either
25 labor or the fabric.

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MR. KHODOROVSKY: No, I understand.

MR. LIMA: Okay.

MR. KHODOROVSKY: I understand. That's fine. Okay. Right be--you see that there is a Starbucks charge, and below the Starbucks there is a charge for \$192.58 on June 5th of '09 in St. Paul for, I guess - - logistics?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was it for?

MR. LIMA: I don't remember. Can I guess?

MR. KHODOROVSKY: Don't guess.

MR. LIMA: Okay.

MR. KHODOROVSKY: Don't guess. Don't guess.

MR. LIMA: No, I don't remember then. I made the transaction. I don't remember what it was for.

MR. KHODOROVSKY: Okay. Let's flip the page. Okay. So, let's stay on the page where it says page three of six, on top.

Also on the American Express card, for Pedro Lima, Pedro Lima Design, account number last four digits being 2004, closing date July 30th, of '09. Do you see that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay, great. Do you see there a charge for \$368.72 on July 19th, '09 at, it says Health Netherlands, FD.

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was it for?

MR. LIMA: This is for airfare for a trip to Cincinnati that was made as a training for ASID. And they did reimburse me for that transaction.

MR. KHODOROVSKY: And what about the transaction below, \$583.88, were you reimbursed for that too?

MR. LIMA: I was reimbursed. It was the same trip, as well the--the one following, if you want me--

MR. KHODOROVSKY: And the one following,

1
2 on July 20th, 2009 for \$544.08 you were
3 reimbursed for that too?

4 MR. LIMA: I was, yes.

5 MR. KHODOROVSKY: And it's all for the
6 lodging in--in Cincinnati?

7 MR. LIMA: Yes. Can I explain a little
8 further why there are--

9 MR. KHODOROVSKY: (Interposing) No,
10 that--that's fine.

11 MR. LIMA: Okay.

12 MR. KHODOROVSKY: Because I just want to
13 know what the transaction is about and if you
14 were reimbursed. That's all.

15 MR. LIMA: Yes, I was reimbursed.

16 MR. KHODOROVSKY: That's fine. Let's
17 flip the page. Okay, stop here. Do you see
18 page three of six, statement with a closing
19 date of August 21st, '07, for American
20 Express card with the last four digits 1008,
21 for Pedro E. Lima?

22 MR. LIMA: Yes.

23 MR. KHODOROVSKY: Okay. Do you see
24 there a transaction, fourth from the top, for
25 \$688.18 at NYTNTNO--NY Teno, New York, on

August 12th, '07 for \$688.18?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes, I did.

MR. KHODOROVSKY: What is that?

MR. LIMA: This is a ring. This was a present.

MR. KHODOROVSKY: Go ahead.

MR. LIMA: This was a ring for Peter, my boyfriend.

MR. KHODOROVSKY: And who is in possession of it now?

MR. LIMA: He is in possession of it.

MR. KHODOROVSKY: You're not in possession of it?

MR. LIMA: No.

MR. KHODOROVSKY: Okay. Let's--let's flip the page. Let's flip the page again.

MR. LIMA: Do you think we could take a break for a minute?

MR. KHODOROVSKY: Oh certainly. If you want to take a break, definitely, just tell me when you need a break and we can take a

1
2 break. Hold on--hold on, I need to get off
3 the record. We are off the record. The time
4 is 1:02 p.m. on August 27th, 2010.

5 [OFF THE RECORD]

6 [ON THE RECORD]

7 MR. KHODOROVSKY: We are back on the
8 record at the 2004 Examination of Pedro Lima.
9 The time is 1:20 p.m. on the 27th of August
10 2010. Okay. Before we went off the record,
11 I was asking you about one of the American
12 Express accounts. And we are now looking--
13 you now should be looking at American Express
14 account for Pedro E. Lima, last four digits
15 of the account number being 1008. You're
16 looking at page three of eight. Are you
17 there?

18 MR. LIMA: Yes.

19 MR. KHODOROVSKY: Great. Okay. I
20 wanted to ask you, you see there a
21 transaction on December 19th, '07 at Comfort
22 House in New Jersey, \$137.94?

23 MR. LIMA: Mm hmm. Yes.

24 MR. KHODOROVSKY: Did you make this
25 transaction?

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MR. LIMA: Yes.

3

MR. KHODOROVSKY: What was it for?

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MR. LIMA: This is for--actually this is for a catalog from a company that sells product for my company. I had to purchase this.

8

9

MR. KHODOROVSKY: You had to purchase their catalog?

10

MR. LIMA: Yes.

11

12

MR. KHODOROVSKY: Are you in possession of the catalog?

13

MR. LIMA: No.

14

15

MR. KHODOROVSKY: So, what happened to it? You--

16

17

18

MR. LIMA: (Interposing) I threw out all my catalogs when I closed the business. I had a huge library so it's--

19

20

MR. KHODOROVSKY: So the entire library of the business was thrown out?

21

MR. LIMA: Yeah. Yes.

22

23

MR. KHODOROVSKY: What kind of a library did the business keep?

24

25

MR. LIMA: I had stone samples and fabrics and furniture binders.

1
2 MR. KHODOROVSKY: And that--that's for
3 Urban Stone?

4 MR. LIMA: No, for Pedro Lima Design.

5 MR. KHODOROVSKY: And so you--you said
6 you closed it out sometime in the fall of
7 last year?

8 MR. LIMA: Yes.

9 MR. KHODOROVSKY: And when you closed it
10 down, you threw out all this stuff?

11 MR. LIMA: Not my records, or anything
12 like that. I threw out--yeah.

13 MR. KHODOROVSKY: You mean the samples,
14 the books--

15 MR. LIMA: (Interposing) Yes.

16 MR. KHODOROVSKY: -the library
17 materials?

18 MR. LIMA: Yes.

19 MR. KHODOROVSKY: Okay. So, you are not
20 currently in possession of this catalog?

21 MR. LIMA: No.

22 MR. KHODOROVSKY: Okay. Okay. Let's
23 flip the page. Like I said, we're--I'm
24 trying to go faster. Let's flip the page.
25 Okay, let's stop--stop on this page. You see

1
2 there a transaction with a closing date of
3 February 22nd, '08; page five of eight,
4 American Express with the last four digits of
5 the account number being 1008?

6 MR. LIMA: Yes.

7 MR. KHODOROVSKY: Okay, great. Great.
8 Let me ask you this. Do you see there a
9 transaction in--unfortunately the first part
10 - - got cut off, but it's in large font, New
11 York at Trader Joe's, for \$168.96?

12 MR. LIMA: Yes.

13 MR. KHODOROVSKY: Did you make this
14 transaction?

15 MR. LIMA: I did.

16 MR. KHODOROVSKY: Let me ask you a
17 question. At the time--in this time, were
18 you living in Manhattan or in the Bronx?

19 MR. LIMA: I don't remember.

20 MR. KHODOROVSKY: In early '08, where
21 were you living?

22 MR. LIMA: I was in--still in the Bronx.

23 MR. KHODOROVSKY: And so you would--you
24 would drive up to Larchmont to go to Trader
25 Joe's?

MR. LIMA: Yes. I had the car at that time.

MR. KHODOROVSKY: Okay. Okay.

MR. LIMA: And my gym was close by also, so, if I went to there, I just did the same thing--

MR. KHODOROVSKY: (Interposing) And your gym was also in Larchmont?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. I understand. Let's go down a few lines. Do you see there a transaction for \$334.50 to Shoenfeld, Plymouth, New York, the Chorus Line, February 9th?

MR. LIMA: This is on the same page?

MR. KHODOROVSKY: Yes. Your counsel is showing you.

MR. LIMA: Oh, okay.

MR. KHODOROVSKY: It's below that Trader Joe's transaction.

MR. LIMA: Yes, I see it.

MR. KHODOROVSKY: Do you see that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this

transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was it for?

MR. LIMA: This is for theater tickets for myself and my boyfriend to see--

MR. KHODOROVSKY: (Interposing) The Chorus Line.

MR. LIMA: -a musical, yes.

MR. KHODOROVSKY: Okay. Great. Okay. Let's go down a couple of lines. Do you see there a \$260.00 transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: For Mr. Mark Lemchem?

MR. LIMA: Yes.

MR. KHODOROVSKY: Let me ask you a question. Was mister--we talked before about Mr. Lemchem. Was he your dentist or your lawyer?

MR. LIMA: He--I'm so sorry; he is--he is Peter's dentist. Peter had braces for ten years. This is--

MR. KHODOROVSKY: (Interposing) So, he is not a lawyer, he is a dentist?

MR. LIMA: This is an orthodontist. No,

1
2 my--my lawyer's name is Mark--I have a really
3 bad memory, but my lawyer's name is Mark.
4 So, Mr. Lemchem--I never hear--yes, this is
5 the dentist.

6 MR. KHODOROVSKY: So, he's not a lawyer?

7 MR. LIMA: He's not a lawyer. I'm
8 sorry.

9 MR. KHODOROVSKY: Okay.

10 MR. LIMA: No.

11 MR. KHODOROVSKY: Okay, we'll let's
12 continue. Okay. Let's look at the last line
13 on this page here. Do you see a transaction
14 for \$43.98 at ftd.com?

15 MR. LIMA: Yes.

16 MR. KHODOROVSKY: Did you make this
17 transaction?

18 MR. LIMA: Yes.

19 MR. KHODOROVSKY: Was it flowers?

20 MR. LIMA: This was for flowers, yes.

21 MR. KHODOROVSKY: As a gift for
22 somebody?

23 MR. LIMA: Yes.

24 MR. KHODOROVSKY: Okay. Let's move on.
25 Let's flip the page. Let's flip the page

again. Let's flip the page again. Go to the next page--this page, page three of eight. Okay. Stay on page three of eight. This is the, again the American Express card with the last four digits of the account being 1008, closing date of April 22nd, '08. Do you see there a transaction at Fife and Greenberg, Elle, New York for \$500.00?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes. I don't remember what this is for though.

MR. KHODOROVSKY: Okay. Let's keep going down a little bit. Do you see a transaction down there for \$1.00, Pedro Lima Design, New York, New York?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: Why did you charge your own business on your--this transaction to yourself?

1
2 MR. LIMA: I don't know. I don't
3 remember.

4 MR. KHODOROVSKY: Okay. Let's flip the
5 page. No, you can flip the page.

6 MR. LIMA: I'm just thinking. It might
7 be because of a credit card terminal. I
8 might have been testing a credit card
9 terminal.

10 MR. KHODOROVSKY: Oh, using it at your
11 business, having your credit--people being
12 able to swipe a credit card at your office?

13 MR. LIMA: Yes, because I took credit
14 cards on occasion. So, that's the only thing
15 I can think of why I would do that.

16 MR. KHODOROVSKY: And so your office
17 would have a credit card machine--merchant
18 machine?

19 MR. LIMA: I did have one for a while,
20 and then I just did PayPal. But I did have
21 one for a while.

22 MR. KHODOROVSKY: Okay. Let's move to--
23 do you see where it says page five of eight?

24 MR. LIMA: Yes.

25 MR. KHODOROVSKY: Closing date for the

statement being April 22nd, '08, the last four digits of the card being 1008, do you see that?

MR. LIMA: Mm hmm. Yes.

MR. KHODOROVSKY: Do you see there a charge for \$54.17 at Best Buy?

MR. LIMA: Yes.

MR. KHODOROVSKY: On April 19th, '08?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What did you buy?

MR. LIMA: This was for computer--things for my computer, for my office.

MR. KHODOROVSKY: Mm hmm. Okay. Let's flip the page.

MR. LIMA: This is about when I moved.

MR. KHODOROVSKY: Okay. No, I understand. Don't--just - - I don't have any questions. Until I ask a question, don't - - . Okay. Stay there. Stay on the page that says page three of four. Last four digits of the account number being 1008, statement with

1
2 a closing date of May 22nd, '08. I'm going
3 to ask you for a charge from Mr. Biertzer.
4 Answer to the best of your knowledge. You
5 see there is a charge, the last--very last
6 line, \$1,347.91. PayPal Aragan Boutique in
7 California. Do you know what this
8 transaction is about?

9 MR. LIMA: This is--this is--all I can
10 say is that it is related to Peter's company.
11 I don't know if this is for product inventory
12 for him. That's the only thing I can think
13 of, because his company was Argan Body.

14 MR. KHODOROVSKY: But--but do you know--
15 but can you say right now, sitting here
16 today, what this transaction is about?

17 MR. LIMA: No, I couldn't.

18 MR. KHODOROVSKY: Okay. Let's flip the
19 page then. And we can flip the page again.
20 And again. Okay, staying also on that--right
21 here. Statement with a closing date of July
22 22nd, '08, American Express card for Pedro
23 Lima, last four digits of the account number
24 being 1008 closing date July 22nd, '08, page
25 three of seven. Okay, let's look at the

1
2 bottom there. This is a--these are
3 transactions again from Mr. Biertzer, and
4 answer to the best of your knowledge. Do you
5 see there a transaction for \$447.18, also
6 PayPal Argan Boutique?

7 MR. LIMA: Yes.

8 MR. KHODOROVSKY: Do you know what this
9 transaction was about?

10 MR. LIMA: Again, I am not--

11 MR. KHODOROVSKY: (Interposing) Okay.

12 MR. LIMA: -certain.

13 MR. KHODOROVSKY: So--so you don't know?

14 MR. LIMA: I do not know.

15 MR. KHODOROVSKY: Okay. Let's flip the
16 page. Actually let's go to the next page.
17 Okay, stay there. Actually, I'm sorry; flip
18 the page. I apologize. And okay. Page
19 three of five right--do you see that? Okay.
20 For transactions from Mr. Biertzer.

21 MR. LIMA: Okay.

22 MR. KHODOROVSKY: You see again, on the
23 last line there is a transaction, PayPal
24 again, Argan Boutique, \$1,085.61. Do you
25 know what this transaction is?

MR. LIMA: This--it's--it just--it is related to Argan Body. But again, I don't--I don't know.

MR. KHODOROVSKY: Okay, let's flip the page then.

MR. LIMA: No, I don't know.

MR. KHODOROVSKY: Okay. You see there when the credit card, the American Express, last four digits of the account number being 1008, closing date April 21st, '08, page three of five. Do you see? Are you there?

MR. LIMA: Mm hmm. Yes.

MR. KHODOROVSKY: Excellent. Do you see there a transaction for \$157.82 at Century 21, in New York, New York?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes, this was for clothing for myself.

MR. KHODOROVSKY: And the transaction below, \$641.78, did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: And what was that for?

MR. LIMA: This is also for clothing.

MR. KHODOROVSKY: Are you in possession of that clothing?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Let's flip the page. Okay. We are--I'm at page five of five of a credit card statement closing date October 22nd--October 21st, '08, last four digits of the account number being 1008. Let's look at the third line from the bottom. Do you see there a transaction for \$611.40 at Geico, in Washington, D.C.?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was it for?

MR. LIMA: This is for insurance for my car.

MR. KHODOROVSKY: The last BMW you leased.

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Let's flip the

1
2 page then. And flip the page again. And um
3 let's move on to--do you see a statement with
4 a closing date of December 22nd, '08, for
5 again, American Express card for you--last
6 four digits of the account being 1008. Do you
7 see it--where we are?

8 MR. LIMA: Yes.

9 MR. KHODOROVSKY: Okay. I want to ask
10 you about a transaction for \$59.97 for
11 Cypress Plumbing and heating Brooklyn. Did
12 you make this transaction?

13 MR. LIMA: Yes.

14 MR. KHODOROVSKY: What was it for?

15 MR. LIMA: This is for cost of goods--
16 plumbing for a client's project, and they are
17 in possession of it.

18 MR. KHODOROVSKY: Okay. Let's flip the
19 page. Okay. We are now on page three of
20 five, statement for the American Express
21 card, with the last digits being 1,008,
22 December 22nd, '08, the closing date--do you
23 see there, a transaction for--for--on
24 December 15th '08, for \$109.91, by dig.com in
25 Edison, New Jersey.

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MR. LIMA: Yes.

MR. KHODOROVSKY: And did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was this for?

MR. LIMA: I don't--I don't remember.

MR. KHODOROVSKY: Okay. Staying on the same page, and I'm going to ask you about some transactions from Mr. Biertzer, again, if you don't know the answer, you can just answer that you don't know. Do you see there is a transition there on November 21st, '08-- November 24th, '08, at air tran airways, in Atlanta, for \$251.00 to Milwaukee, Wisconsin.

MR. LIMA: Yes.

MR. KHODOROVSKY: Did--did--do you know what this transaction is about?

MR. LIMA: This is--yes, this is the airfare for Peter to take the--take a trip to see his family, in Wisconsin. So, it's airfare for Peter.

MR. KHODOROVSKY: And he--this was him--for him personally?

MR. LIMA: This is a personal--yes.

MR. KHODOROVSKY: Okay. This is not related to any ASID business?

MR. LIMA: No, this is personal.

MR. KHODOROVSKY: Okay. Okay. Let's flip the page. And flip the page again. Stop, where--where it's 1,008--American Express card, last four digits 1,008, closing date February 20th, '09, page one of ten. Are you there?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. Do you see there a transaction of \$125.81 cents, on February 14th of '09 at Jay Crew?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What did you buy?

MR. LIMA: This is clothing for Peter, actually.

MR. KHODOROVSKY: To the best of your knowledge, is he in possession of it?

MR. LIMA: He is, yes.

MR. KHODOROVSKY: Okay. And right below

that, do you see a transaction, American Apparel, on February 17th, '09, for \$106.00?

MR. LIMA: Yes.

MR. KHODOROVSKY: And did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: And what is this?

MR. LIMA: This is also clothing. As I look at the date, it is possible they were presents.

MR. KHODOROVSKY: And are you in possession of it?

MR. LIMA: I'm--yes.

MR. KHODOROVSKY: Okay. Let's flip the page. Okay. Next page, again this is the same statement, same closing date, same card. It is page three of ten. Do you see that?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. I want to ask you about a--a transaction of interest to me here. You see there a transaction on this page, on January 3rd, '09, from Mr. Biertz, \$138.00 at I-Bob's Inc, in Minneapolis.

MR. LIMA: Yes.

1
2 MR. KHODOROVSKY: Do you know anything
3 about this transaction?

4 MR. LIMA: Yes. This is for glasses for
5 Peter. We--he had purchased them online and
6 then he had the lenses changed, because they
7 were--he liked the style of the frame, but
8 then he just changed it locally.

9 MR. KHODOROVSKY: Do you think he is
10 currently in possession of those glasses?

11 MR. LIMA: He is, in possession, yes.

12 MR. KHODOROVSKY: Okay, let's flip the
13 page. Okay. We are on the American Express
14 statement for Pedro A. Lima. The last four
15 digits of the account number being 1008.
16 Page three of seven, closing date March 23,
17 '09. These are transactions from Mr.
18 Biertzer. Again, answer to the best of your
19 knowledge. There is a charge there, on
20 February 26th, '09, for \$69.91 cents, for u-
21 haul rental truck--for u-haul rental; sorry.
22 Is that one you--do you know what that's
23 about?

24 MR. LIMA: February 26th. Yes, this is
25 for a storage locker that I--that I had. I

1
2 think this is--let me just make sure; I'm - -
3 . There's--there's no other charges for
4 this. This--the monthly--we had a storage
5 locker, and I'm ---and I, maybe I should say
6 I don't know exactly what--

7 MR. KHODOROVSKY: Well are you currently
8 in--do you currently have a storage locker?

9 MR. LIMA: No.

10 MR. KHODOROVSKY: Or when did you last
11 have a storage locker?

12 MR. LIMA: (Interposing) Maybe January
13 of 2010. No, maybe--I don't remember. It
14 was early 2010.

15 MR. KHODOROVSKY: But you are not
16 currently in possession of it?

17 MR. LIMA: No.

18 MR. KHODOROVSKY: I'm sorry; stay on the
19 same page. You see there are transactions
20 again; Mr. Biertzer made, to the best of your
21 knowledge, \$410.26, on March 2nd, '09, sent
22 park auto draft in Nashville. Do you know
23 what that transaction is?

24 MR. LIMA: This is for our parking
25 garage.

1
2 MR. KHODOROVSKY: In where--parking
3 garage where?

4 MR. LIMA: I--I don't know. Well, no,
5 that can't be. I--I don't know. Maybe it
6 is.

7 But you don't--you don't exactly know
8 what this transaction is about?

9 MR. LIMA: It could be for--is this a
10 recurring--you probably don't know.

11 MR. KHODOROVSKY: I--

12 MR. LIMA: (Interposing) If this is
13 recurring, then it's my parking garage in
14 Battery Park.

15 MR. KHODOROVSKY: But do you currently
16 have a garage spot?

17 MR. LIMA: No.

18 MR. KHODOROVSKY: Okay. Let's flip the
19 page. Stop. We are looking at the--at the
20 American Express card, last four digits being
21 1008, April 22nd, '09 closing date, March
22 23rd, '09 transaction. Do you see that first
23 transaction, Health Science Nutrilenden
24 (phonetic), \$154.99? Did you make this
25 transaction?

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MR. LIMA: Yes.

MR. KHODOROVSKY: What was it for?

MR. LIMA: These are vitamins,
essentially.

MR. KHODOROVSKY: Okay.

MR. LIMA: Similar to the melaleuka.

MR. KHODOROVSKY: Okay. Let's flip the
page. By the way, did you buy these vitamins
to resell them or for your personal
consumption?

MR. LIMA: For personal.

MR. KHODOROVSKY: Okay. Let's--let's
flip the page again. Stop when you get to
page three of ten, on top there. Do you see
that? Okay, great. Excellent. Excellent.
I'm going to ask you--this is the same credit
card, last four digits being 1008, closing
date May 22nd, '09, page three of ten. I'll
ask you about some transactions for Mr.
Biertzer. Answer to the best of your
knowledge. There is a transaction April
25th, '09 for \$122.49 at Harry and David. Do
you know what this transaction is about?

MR. LIMA: Yes. This is a present for a

1
2 client.

3 MR. KHODOROVSKY: Of yours or of Mr.
4 Biertzer?

5 MR. LIMA: I'm sorry; of mine--of Pedro
6 Lima Design.

7 MR. KHODOROVSKY: And was the client
8 given this present?

9 MR. LIMA: Yes, it was a gift basket,
10 for the client, just to--

11 MR. KHODOROVSKY: (Interposing) What is
12 the name of the client, if you remember?

13 MR. LIMA: I don't remember.

14 MR. KHODOROVSKY: Okay. Let's flip the
15 page. Okay. I see there, on May 15th, '09
16 that there is a transaction to you--bless
17 you. This transaction, May 15th, '09 for you
18 Mr. Lima, for \$205.20 at United Airlines.
19 Did you make this transaction?

20 MR. LIMA: Yes.

21 MR. KHODOROVSKY: What was it for?

22 MR. LIMA: I have to think here. It's
23 for airfare. I don't--I don't recall this
24 trip.

25 MR. KHODOROVSKY: Okay.

MR. LIMA: I know that sounds crazy,
but--.

MR. KHODOROVSKY: Okay, next line,
\$142.19, do you see that transaction, May
15th, '09.

MR. LIMA: Yes.

MR. KHODOROVSKY: LaCoste Madison
Avenue, New York?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this
transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was this
transaction?

MR. LIMA: This is clothing for myself.

MR. KHODOROVSKY: Are you currently in
possession of it?

MR. LIMA: Yes.

MR. KHODOROVSKY: Let's flip the page.
And let's flip the page again. And when we
go to page three of 12, up top, stop. Are
you there?

MR. LIMA: Yeah, I'm there. Yes.

MR. KHODOROVSKY: Excellent. Excellent.

I'm going to ask you some transactions of yours. Okay, we are on page three of 12. The credit card is American Express, last four digits of the account number being 1008, closing date being July 22nd, '09. Okay. I'm going to ask you about a transaction you made--the transaction listed on July 14th, '09, for \$217.93 at Sims in New York. Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What did you buy?

MR. LIMA: A suit. This--at this point, I needed--I was--I was attending a lot of functions to represent the Society, and I needed clothing to look better. So, I--that's why there are so many clothing expenses at this time.

MR. KHODOROVSKY: And were you reimbursed for this purchase?

MR. LIMA: No. No.

MR. KHODOROVSKY: Okay. One transaction below - - the one below. Do you see July 16th, '09, a \$15.00 charge for Delta Airlines, LaGuardia?

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MR. LIMA: Yes.

MR. KHODOROVSKY: Did you travel anywhere on Delta Airlines around this time?

MR. LIMA: Yes, I did. And I remember the other one. Yes, I did.

MR. KHODOROVSKY: Where did you travel?

MR. LIMA: I traveled to Chicago for a conference, and I was reimbursed for that trip as well.

MR. KHODOROVSKY: Okay, so let's go down one line. Do you see there a transaction on July 16th, '09, a charter service transaction it says \$24.00 Exec Air, did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: What was it for?

MR. LIMA: This is for transportation. I think it was either--I don't remember which end--

MR. KHODOROVSKY: (Interposing) For an airport charter bus?

MR. LIMA: Yes. Yes, I think it was for--at the--when I got there, to get--or it might have been to the airport. I'm sorry; I

1
2 don't remember, but this was in the beginning
3 just transportation.

4 MR. KHODOROVSKY: And were you
5 reimbursed for this?

6 MR. LIMA: Yes, I was.

7 MR. KHODOROVSKY: Let's look down one
8 line. July 21st, '09, Carmel Car Service in
9 Mamaroneck, \$39.00. Did you make this
10 transaction?

11 MR. LIMA: Yes.

12 MR. KHODOROVSKY: And what is it for?

13 MR. LIMA: This was also transportation
14 from the airport to home, to my apartment.

15 MR. KHODOROVSKY: Were you reimbursed
16 for it?

17 MR. LIMA: Yes, I was reimbursed.

18 MR. KHODOROVSKY: Okay. Staying on the
19 same page, I have some questions about Mr.
20 Birder's transactions. Again, answer to the
21 best of your knowledge. Do you see there's
22 a--there are two transactions, on that page,
23 for June 27th, '09, at the Brooklyn Botanical
24 Garden, one for \$25.00 and one for \$27.30.
25 They are right next to each other. Do you

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2

see that?

3

MR. LIMA: Yes.

4

5

MR. KHODOROVSKY: Do you know what these transactions are about?

6

7

8

MR. LIMA: Yes. This was to--to see the--this was an admissions fee to see the--the gardens.

9

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MR. KHODOROVSKY: For one person or for two persons?

11

MR. LIMA: For two people.

12

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MR. KHODOROVSKY: So--so, it's \$25.00 for one person and \$27.30 for the other?

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MR. LIMA: No. No, this is--this is--the first one; I apologize. The first, the \$25.00 is the admissions. The \$27.30 was a--a gift that Peter purchased, like a--I don't remember--oh, yes I do. It was for his--for a relative, he purchased a--a present--a couple of little presents for his godson.

21

22

MR. KHODOROVSKY: So, he is not currently in possession of those items?

23

MR. LIMA: No.

24

MR. KHODOROVSKY: Okay.

25

MR. LIMA: No, I apologize. It was--

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2 MR. KHODOROVSKY: (Interposing) That's
3 fine. Let's flip the page. Okay, we are on
4 the same statement. I'm sorry--I'm sorry; we
5 are not on the same--we are on the same
6 statement, but page five of 12. Do you see
7 there July 22nd, '09?

8 MR. LIMA: Yes.

9 MR. KHODOROVSKY: Again credit card
10 American Express, last four digits being
11 1008. Do you see that transaction of July
12 15th, '09, Twenty-Twenty Optical in New York,
13 \$175.00?

14 MR. LIMA: Yes.

15 MR. KHODOROVSKY: Okay. Did you make
16 this transaction?

17 MR. LIMA: Yes.

18 MR. KHODOROVSKY: And what was it for?

19 MR. LIMA: These are, again are for
20 Peter, for his glasses. This is when they
21 put the lenses into his--

22 MR. KHODOROVSKY: (Interposing) And is
23 he in possession of those glasses?

24 MR. LIMA: Yes.

25 MR. KHODOROVSKY: Okay. Let's move to

1
2 the next page. We are on the, again American
3 Express statement, closing date being August
4 21st, '09, for Mr. Lima, last four digits of
5 the account number being 1008. Do you see
6 there a transaction, at the--for \$115.92 on
7 July 24th, '09 to the New York Wine Exchange?

8 MR. LIMA: Yes.

9 MR. KHODOROVSKY: Did you make this
10 transaction?

11 MR. LIMA: Yes.

12 MR. KHODOROVSKY: What was this for?

13 MR. LIMA: This is for alcohol for Peter
14 and myself and a few friends, at my
15 apartment.

16 MR. KHODOROVSKY: Has it been consumed?

17 MR. LIMA: Yes.

18 MR. KHODOROVSKY: Okay. All of it?

19 MR. LIMA: Yes.

20 MR. KHODOROVSKY: Okay. Let's flip the
21 page. Okay. We are on the American Express
22 statement for--for Mr. Lima, last four digits
23 of the account number 1001, closing date
24 April 28th, '07. Do you see--are you there?

25 MR. LIMA: Yes.

MR. KHODOROVSKY: Do you see there a transaction, March 25th, '07, U.S. Treasury Tax Payment \$600.00?

MR. LIMA: Yes.

MR. KHODOROVSKY: Did you make this transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: Was this s tax payment?

MR. LIMA: Yes.

MR. KHODOROVSKY: To the IRS?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay, let's go--that's fine. Let's flip the page. And let's flip the page again. Okay, let's stay there. It is page three of ten, closing date of the statement being May 28th, '07; it is the American Express card with the last four digits being 1001. Are you there?

MR. LIMA: Yes.

MR. KHODOROVSKY: Excellent. Do you see there the very last transaction, for Mr. Biertzer?

MR. LIMA: Yes.

MR. KHODOROVSKY: To the best of your knowledge, answer to the best of your knowledge. May 27th, '07, Esprite in New York, New York for \$49.50. Do you know what that is for?

MR. LIMA: Yes, this is clothing.

MR. KHODOROVSKY: For whom?

MR. LIMA: For me. He purchased this for myself, and I have--actually, I think I wore it out. So, I threw it out.

MR. KHODOROVSKY: Okay. Up above, do you see there a transaction, on May 27th, '07, and also by Mr. Biertzer, Paul Retain, New York, New York for \$149.00?

MR. LIMA: Yes.

MR. KHODOROVSKY: Do you know what that transaction is for?

MR. LIMA: Yes, this is also for clothing.

MR. KHODOROVSKY: For whom?

MR. LIMA: For me.

MR. KHODOROVSKY: Are you in possession of it?

MR. LIMA: Yes.

1
2 MR. KHODOROVSKY: Okay. Let's flip the
3 page. Okay. We are on page three of eight,
4 statement with a closing date of June 28th,
5 '07, American Express card for Mr. Lima, last
6 four digits of the account number being 1001.
7 Do you see a transaction, if you go down--do
8 you see a transaction on June 15th, '07 for
9 \$77.00, War Between the States, the
10 Villagers, Florida. Oh, I'm sorry; that's a
11 Mr. Biertzer transaction. I'm sorry.

12 MR. LIMA: Yes.

13 MR. KHODOROVSKY: I apologize. That's
14 for Mr. Biertzer. Do you see that
15 transaction?

16 MR. LIMA: I do, yes.

17 MR. KHODOROVSKY: Are you familiar--do
18 you know what that transaction is?

19 MR. LIMA: No.

20 MR. KHODOROVSKY: Okay. Let's flip the
21 page. Okay, we are on page three of eight,
22 credit card for Mr. Lima, account number last
23 four digits being 1001, American Express
24 card. Are you there?

25 MR. LIMA: Yes.

MR. KHODOROVSKY: Excellent. Excellent.
Do you see there a transaction on July 5th,
'07, for \$337.91 at Armani, Gildo, Zagnia, in
Central Valley, New York, for Mr. Biertzner?
Do you see that transaction?

MR. LIMA: Yes.

MR. KHODOROVSKY: Do you know what that
transaction was?

MR. LIMA: This is clothing for Peter,
purchase by Peter.

MR. KHODOROVSKY: Is he in possession of
it?

MR. LIMA: Yes.

MR. KHODOROVSKY: Okay. And right below
it, do you see a transaction on July 5th,
'07, \$355.33 at Woodberry Commons in Central
Valley, New York?

MR. LIMA: Yes.

MR. KHODOROVSKY: Do you know what that
transaction is?

MR. LIMA: Yes. This is also for
clothing.

MR. KHODOROVSKY: Mm hmm. For whom?

MR. LIMA: For--I don't recall. One or-

1
2 -either him or myself.

3 MR. KHODOROVSKY: Okay. Let's flip the
4 page. And let's flip the page again. We are
5 close to finishing. And let's flip the page
6 again. Actually, I'm sorry; let's go back.
7 I apologize. I forgot to ask--stay--stay
8 there. Do you see there a page one of ten,
9 for your credit card statement for Mr. Lima
10 American Express, last four digits of the
11 account number being 1001?

12 MR. LIMA: Yes.

13 MR. KHODOROVSKY: Okay. Do you see
14 there a transaction, March 24th, of '08, for
15 \$75.00 for you for Onsite Rental Express, Los
16 Altos, California?

17 MR. LIMA: Yes.

18 MR. KHODOROVSKY: Did you make this
19 transaction?

20 MR. LIMA: Yes.

21 MR. KHODOROVSKY: What was it? To the
22 best of your knowledge?

23 MR. LIMA: I don't recall.

24 MR. KHODOROVSKY: Okay. Let's flip the
25 page. And let's flip the page again. And

I'm going to ask you about one last--actually two last transactions. And we're going to be done with regards to your credit card statements. We are on the American Express credit card, statement closing date April 29th, '08, last four digits of the account number being 1001; we are on page three of five. I'm going to ask you about two transactions on this--by Mr. Biertzer. Do you see here a transaction on March 30th, of '08, for \$704.43 at CostCo.com?

MR. LIMA: Yes.

MR. KHODOROVSKY: Do you know what this transaction was? If you don't remember--

MR. LIMA: (Interposing) I don't remember.

MR. KHODOROVSKY: Okay.

MR. LIMA: I'm sorry; I don't remember.

MR. KHODOROVSKY: Okay. Go down one line, and one more line, do you see there a transaction for \$388.99 by Mr. Biertzer, on April 3rd, '08 at Mercantila el sin, California?

MR. LIMA: Yes.

MR. KHODOROVSKY: Do you know what that transaction is about?

MR. LIMA: I do not.

MR. KHODOROVSKY: Okay.

MR. LIMA: It's related to his company, but I don't know specifically what that was.

MR. KHODOROVSKY: Okay. Let me ask you this question, because we are done with the credit card statements. You're almost done for today. At least with my portion of the questions. Let me ask you this. Are you-- does Mr. Biertzer reside with you currently?

MR. LIMA: Yes.

MR. KHODOROVSKY: Does he--is he currently employed?

MR. LIMA: I'm sorry?

MR. KHODOROVSKY: Does he currently--is he currently employed? Does he have a job?

MR. LIMA: Yes.

MR. KHODOROVSKY: Where does he work?

MR. LIMA: He works for Dr. Buddisaw (phonetic), which is a dental practice. He is the office manager for the dental practice.

1
2 MR. KHODOROVSKY: To the best of your
3 knowledge, how much does he earn?

4 MR. LIMA: He earns roughly \$85,000.00.

5 MR. KHODOROVSKY: A year?

6 MR. LIMA: A year--yearly.

7 MR. KHODOROVSKY: And to the best of
8 your knowledge, how long has he had this job?

9 MR. LIMA: Six years.

10 MR. KHODOROVSKY: Okay. Actually, I do
11 want to ask you some questions about your--
12 your Schedule J, back on the schedules. If
13 you can't find them, let me--let either me or
14 your counsel help you. And we are almost
15 done, - - .

16 MR. LIMA: Yeah, I'm sorry.

17 MR. KHODOROVSKY: Take a look at
18 Schedule J again. Are you there?

19 MR. LIMA: Yes.

20 MR. KHODOROVSKY: Okay, great. Can you
21 tell me, does Mr. Biertzer pay for any of the
22 expenses, or share any of the expenses listed
23 here on Schedule J?

24 MR. LIMA: No.

25 MR. KHODOROVSKY: You pay personally for

all of these expenses?

MR. LIMA: This is my--yes. I went through it to make sure I wasn't, you know, but no, these are my personal expenses.

MR. KHODOROVSKY: All these are your personal expenses and he doesn't pay for any of them?

MR. LIMA: Yes.

MR. KHODOROVSKY: Let's flip the page. On the next page, do you see the other expenses listed there?

MR. LIMA: Yes.

MR. KHODOROVSKY: And do you pay for them personally or does Mr. Biertzer contribute to any of these?

MR. LIMA: I think we--he does help with the pet care.

MR. KHODOROVSKY: And how much, do you think, of that \$100.00 a month, does he pay?

MR. LIMA: I would say \$50.00.

MR. KHODOROVSKY: Okay. Anything else?

MR. LIMA: That's--that's it.

MR. KHODOROVSKY: Okay. Okey dokey.

Mr. Lima, I have no further questions for you

1
2 today. Counsel, do you have any questions
3 for Mr. Lima?

4 MR. HAMILTON: No.

5 MR. KHODOROVSKY: Would you like to
6 cross examine him?

7 MR. HAMILTON: No.

8 MR. KHODOROVSKY: Okay. We are now off
9 the record, on August 27th, 2010 at 1:55 p.m.
10 We're done.

11 [END OF HEARING]

C E R T I F I C A T E

I, Joyce A. Waser, certify that the foregoing transcript of proceedings in the Bankruptcy Court of the 341 Hearing of Pedro Lima, Case No. 10-11809 was prepared using standard electronic transcription equipment and is a true and accurate record of the proceedings.

Tape # 1005 and 1006

Counter #s N/A to



Signature

Date September 30th, 2010

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